

JPRS-NEA-87-029

13 MARCH 1987

Near East/South Asia Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

13 MARCH 1987

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

REGIONAL AFFAIRS

Islamic Summit Conference Proposal on Law (AL-ITTIHAD, 21 Jan 87).....	1
Arab Development Institutions Plan Future Projects (Mustafa Imam; AL-ITTIHAD, 16 Jan 87).....	6
Seminar Discusses Arab Loans, Foreign Investment (AL-ITTIHAD, 13 Jan 87).....	8
Briefs	
Curricula Standardization	10
Arab Maritime Fleet Data	10

ARAB AFRICA

EGYPT

U.S. Proposals on Military Debt Criticized (ROSE AL-YUSUF, 19 Jan 87).....	11
Former Industry Minister Discusses Economic Issues (Aziz Sidqi Interview; AL-TADAMUN, 17-23 Jan 87).....	14
President of Money Market Organization Interviewed (Hasan Fajj-al-Nur Interview; ROSE AL-YUSUF, 19 Jan 87)..	22

SUDAN

Sadiq al-Mahdi Sees Closer Ties, Pact With Iran (Sadiq al-Mahdi Interview; KAYHAN AL-'ARABI, 20 Dec 86)...	26
Minister of Industry Comments on Relations With Egypt (Mubarak al-Mahdi Interview; AL-MAJALLAH, 21-27 Jan 87)...	33
Former NASC Member Lam Akol Interviewed (HERITAGE, 26 Jan 87).....	36

ARAB EAST/ISRAEL

IRAQ

Development Plans for Kurdish Provinces (THE BAGHDAD OBSERVER, 22 Jan 87).....	42
Agricultural Development Plans in Al-Anbar Province (Y. P. Youkhanna; THE BAGDHAD OBSERVER, 28 Jan 87).....	43
Transportation, Communication Statistics for 1986 (Rushdi Sabbar; THE BAGDHAD OBSERVER, 28 Jan 87).....	45

JORDAN

Al-Masri on ICO Summit, PLO, Other Issues (Tahir al-Masri Interview; AL-ANBA', 23 Jan 87).....	46
Dudin Discusses West Bank Development Program (Amman Domestic Service, 25 Jan 87).....	48
Briefs	
Senate Member Dies	50
Ambassadors Present Credentials	50
New Polish Envoy	50

KUWAIT

Minister Sees Summit on Chance To Solve Arab, Islamic Problems ('Abd-al-Rahman Khalid al-Ghanim Interview; AL-RA'Y AL-'AMM, 23 Jan 87).....	51
--	----

LEBANON

Iraq Supplying Arms to Phalange, 'Arafat Followers (KAYHAN AL-'ARABI, 17 Jan 87).....	58
--	----

Shaykh Shams-al-Din Interviewed (KAYHAN AL-'ARABI, 10 Jan 87).....	59
---	----

SYRIA

Al-Shaykh Hilal Village Problems Described (Ahmad al-Ibrahim; TISHRIN, 6 Jan 87).....	64
Cooperative Agriculture in Dar'a Governorate Discussed (Husayn Qasim; TISHRIN, 6 Jan 87).....	66
Afforestation Activity in Idlib Governorate Examined (Ibrahim 'Abd-al-'Aziz; TISHRIN, 6 Jan 87).....	70
Briefs	
Damascus Businesses Closed	73
Tobacco Smugglers Arrested	73
Smuggled Tobacco, Wood Confiscated	73

YEMEN ARAB REPUBLIC

Grain Authority Merged With Foreign Trade Authority (AL-JUMHURIYAH, 8 Jan 87).....	74
Dissertation Discusses Economy Development Funding (Ahmad al-Jabali; AL-ITTIHAD, 13 Jan 87).....	75
Mur Project Expected To Boost Economy (Abdu Salam al-Sharjabi; AL-JUMHURIYAH, 7 Jan 87).....	79

SOUTH ASIA

BANGLADESH

Papers Report on Ershad's Visit to Indonesia (THE NEW NATION, 14 Jan 87; THE BANGLADESH OBSERVER, 15 Jan 87).....	83
Banquet Speech Summarized	83
14 Jan Talks, Agreement	84
14 Jan Press Conference	85
Soviet Deputy Minister Visits To Discuss Energy Aid (THE NEW NATION, 21 Jan 87; THE BANGLADESH OBSERVER, 21 Jan 87).....	86
Talks With Energy Minister	86
Soviet-Bangladesh Cooperation, by M. M. Bogdanchikov	87

Fresh Date for Chowdhury Moscow Visit Under Consideration (THE BANGLADESH OBSERVER, 18 Jan 87).....	89
Indian Transit Vessels Fail To Pay Fees (Monowar Hossain; THE NEW NATION, 20 Jan 87).....	90
Report on Joint Commission Meeting With Saudis (THE NEW NATION, 19 Jan 87).....	91
Joint Commission With Belgium Meets in Dhaka (THE NEW NATION, 14 Jan 87).....	92
Shanti Bahini Reported Foiling Repatriation Efforts (THE BANGLADESH OBSERVER, 17 Jan 87).....	93
Ershad Approves Jatiya Council Membership (THE BANGLADESH OBSERVER, 23 Jan 87).....	94
Paper Interviews Awami League President Hasina (Munshi Haroon; THE NEW NATION, 17 Jan 87).....	95
Briefs	
New Hungarian Envoy	96
JCD Leader Hospitalized	96
Hindu Denied Visa	96
Ambassador to ROK	96
Communist Leader Dies	97
New Islamic Organization	97
British Grant	97
Communist Leader Ill	97
Denial on Waqf	97
Ambassador to Denmark	98
Indonesian Envoy's Credentials	98
Qatar Manpower Pact	98
Ershad Hospital Stay	98
Border Killing	98

INDIA

Punjab Chief Minister Reacts to Gandhi Remarks (THE HINDU, 22 Jan 87).....	99
India, FRG To Cooperate in New Satellite Launching (THE HINDU, 22 Jan 87).....	101
Paper Comments on Defense Minister Appointment (PATRIOT, 25 Jan 87).....	102
Statisticians Predict 3.9 Percent Annual Growth Rate (THE TELEGRAPH, 22 Jan 87).....	103

Briefs

Envoy to Cameroon	104
Dalai Lama Press Conference	104
Kerala Election Date	104
British Radars Purchased	104
AISSF Leader Expelled	105
Resignation From Janata	105
OPEC Aid	105
Hindu Front	106

IRAN

Increase in Refugee Population Reported (KAYHAN INTERNATIONAL, 16 Dec 86).....	107
Government Taking 'Drastic' Steps To Improve Health Care (Erik Fosse, Trond Linstad; ARABIA: THE ISLAMIC WORLD REVIEW, No 65, Jan 87).....	108

PAKISTAN

Commentary Supports Denial of Facilities to U.S. Planes, Ships (Editorial; DAWN, 17 Jan 87).....	110
Afghan Talks Viewed (Editorial; DAWN, 29 Jan 87).....	112
Government, Conference on Problem Finding Ridiculed (AMN, 28 Dec 86).....	114
Paper Analyzes State of National Economy (Editorial; THE MUSLIM, 1 Feb 87).....	116
Sohrab Goth Cleanup Allegedly Motivated by Greed (Editorial; AMN, 4 Jan 87).....	118

/12223

REGIONAL AFFAIRS

ISLAMIC SUMMIT CONFERENCE PROPOSAL ON LAW

Abu Dhabi AL-ITTIHAD in Arabic 21 Jan 87 p 11

[Article: "The 5th Islamic Summit, 1987"]

[Text] AL-ITTIHAD continues to throw light on the documents of the 5th Islamic Summit Conference. It has presented, in order, the draft statute of the International Islamic Court of Justice and the draft document on human rights in Islam. Today we review the draft statute of the International Islamic Committee on Law which will be presented to the 5th Islamic Summit Conference for ratification, as follows:

Whereas the member states of the Islamic Conference Organization believe in one God Almighty and His Prophet Muhammad --"God bless him and grant him salvation,"--the last of the prophets, and in Islamic unity based on God's words: "The believers are but a single Brotherhood", and "and hold fast, all together, to the Rope which God stretches out for you, and be not divided among yourselves,"

And whereas it believes in the necessity to formulate the legal life of its people in accordance with the principles of belief in God Almighty Who revealed the Koran and the Sunna of the Prophet,

And whereas it deems that this required formulation calls for the existence of a legal Islamic agency whose every member must possess the fundamentals of independent judgment in accordance with the principles of Islamic jurisprudence and that represents a minimum level of national unity,

And whereas this committee is required to promote independent judgment in new issues in light of the tolerance of the Islamic Shari'ah,

We hereby resolve:

Article I

A permanent body to be called the International Islamic Committee on Law be established under the Islamic Conference Organization [ICO] with headquarters in Baghdad, the capital of the Iraqi republic.

Article II

A. This committee shall be composed of legal experts proficient in the Islamic Shari'ah, to be nominated by the member states of the ICO.

B. Every state, member in the organization, shall have the right to nominate one expert and shall have the right to nominate an alternate expert to attend the committee's meetings in the absence of the regular expert.

C. The term of representation of the alternate expert shall end when the member state withdraws its nomination or nominates a substitute.

Article III

The committee's duties and functions are defined as follows:

A. The study of laws or bills referred to it by the member states of the ICO and other agencies emanating from it. The committee shall determine whether such topics are compatible with or are in contravention of the Islamic Shari'ah's provisions and shall draw up necessary recommendations for their amendment to conform with the Shari'ah. It shall also draw up recommendations on questions and issues in accordance with the Islamic Shari'ah's provisions.

B. The preparation of studies and research in various fields that help propagate the Islamic Shari'ah.

C. The creation of methods and procedures to represent, whenever necessary, the viewpoint of Islam in the International Court of Justice and other UN organizations on any issue.

Article IV

A. The committee shall coordinate with any institutes or similar special committee to familiarize itself with directives and resolutions issued by such an institution or committee before issuing its recommendations or resolutions in order to maintain professional integrity and Islamic unity.

B. The committee shall have the right to appoint at any time or any stage a sub-committee made up of its members to study any issue or question mentioned in Article III, before the committee issues its recommendations.

Article V

The committee shall have a chairman and two vice-chairmen elected by the majority of attending members. Voting shall take place in a meeting called for this purpose.

Article VI

A. The term of the chairman and two vice-chairmen shall be for 2 years, renewable for a second term only.

B. If the position of chairman or vice-chairman is vacated, the position shall be filled according to the procedure stipulated in Article V above. However, the chairman or vice-chairman elected in this way shall fill the position for the remainder of the term.

Article VII

The Rapporteur:

A rapporteur shall be elected for each series of meetings held by the committee by a simple majority of attending members.

Article VIII

A. The chairman shall chair the committee meetings and in his absence he shall be represented by one of his vice-chairmen.

B. If both vice-chairmen are present at the time, the one older in age shall chair the meeting.

C. If the chairman and two vice-chairmen are absent, the attending members shall select one from among themselves to chair the meeting.

Article IX

A. The commission or sub-committee appointment, in accordance with Article IV, shall elect its chairman and vice-chairman in accordance with the provisions of Article V. The chairman or vice-chairman shall occupy his position until the commission or sub-committee completes the task assigned it.

B. In the absence of the chairman, the vice-chairman shall run the sessions and, in the absence of both, the attending members shall select one from among themselves to chair the meeting or meetings.

C. The commission or sub-committee shall have the right to elect a rapporteur in the same way and for the same term stipulated in Para "A" above.

D. If the position of chairman, vice-chairman or rapporteur is vacated, it shall be filled in the same way stipulated in Para "A" above.

Article X

A. An Islamic legal expert shall be appointed as secretary of the Islamic Committee with a rank no lower than that of the assistant secretary general of the ICO.

B. The secretary general of the ICO shall appoint the committee's secretary from among member nominees. The rules of appointment, salary and employment conditions of the committee's secretary shall be similar to those set for an ICO official of the same level in the event that the secretary general did not set additional benefits for the Islamic Committee secretary.

C. The secretary of the Islamic Committee shall also be the secretary of the committee's commissions and sub-committees.

Article XI

A. The legal quorum of the Islamic Committee's meetings shall be achieved by 50 percent of the total members appointed by their respective countries.

B. If a member state fails to nominate a representative to the Islamic Committee, that state will not be counted in determining the legal quorum.

C. The legal quorum of the commissions or sub-committees' meetings shall also be achieved by 50 percent of the total number or appointed or nominated members of the commission or sub-committee.

Article XII

All Islamic Committee and sub-committee resolutions shall be passed by a simple majority of attending members who cast their votes.

Article XIII

A. The ICO shall provide the Islamic Committee with the necessary staff or the organization's secretary general shall delegate the committee's secretary to appoint the staff.

B. The staff shall operate under the supervision of the committee's secretary.

C. Islamic Committee employees shall be subject to the same rules and regulations, salaries, rewards and jurisdiction accorded the employees of the ICO.

Article XIV

The administrative expenses of the Islamic Committee shall be covered by the ICO budget.

Article XV

Contact with the Islamic Committee shall be in writing in accordance with Article III and shall be addressed to the Islamic Committee's secretary in the form of proposals.

Article XVI

A. Upon receipt of such proposals and resolutions, the committee's secretary shall have them translated into the three official languages, namely Arabic, English and French.

B. Such proposals and resolutions and related papers shall be promptly circulated to the Islamic Committee members in the three languages.

Article XVII

A. The committee's secretary, in consultation with the committee's chairman, or, in the absence of the chairman, with the vice-chairman, and in the absence of both the chairman and vice-chairman, on his own initiative shall call a meeting of the Islamic Committee to consider proposals or resolutions.

B. The Islamic Committee shall be called to a meeting once every 6 months to look into matters of common interest and to review the committee's work. In these meetings, experts may read papers, copies of which would have been disseminated in advance and in the three languages to member countries, and the committee may debate these papers.

Article XVIII

A. Meetings of the Islamic Committee shall normally be held at its main headquarters.

B. Should a member state host an Islamic Committee meeting on its land, the invitation shall be accepted, in which case the host country shall cover local expenses, including local transportation, food and accomodation for all committee members and employees participating in this function.

Article XIX

The meetings of the Islamic Committee's sub-committees shall be normally held at the committee's main headquarters. However, Para "B" of Article XVIII above shall apply if meeting is held in a host country.

Article XX

The Islamic Committee, or any of its sub-committees, shall have the right to consult or debate with an expert in the technical fields, such as economics, science, etc., whenever necessary and the expert must submit his report to the Islamic Committee within the prescribed period.

Article XXI

The Islamic Committee shall keep a record of its resolutions and shall submit all resolutions to all member states as soon as these resolutions have been adopted.

Article XXII

A. The Islamic Committee must include in its bylaws any administrative or organizational rules and regulations pertaining to the conduct of its work and that of its sub-committees in such a way that none of them are incompatible with the bylaws and procedures observed by the ICO.

B. In matters not stipulated in the rules and regulations and the bylaws of the Islamic Committee, procedures and bylaws observed by ICO shall apply. In the absence of such procedures and bylaws, the chairman of the Islamic Committee or of the competent sub-committee shall set forth the procedure to be followed in such a case.

ARAB DEVELOPMENT INSTITUTIONS PLAN FUTURE PROJECTS

Abu Dhabi AL-ITTIHAD in Arabic 16 Jan 87 p 16

[Article by Mustafa Imam: "Report on Abu Dhabi Meeting of Arab Funds and Banks; Coordinating Financing of 60 Projects in Arab and African States"]

[Text] A meeting of Arab development funds and banks held in Abu Dhabi from 12 to 15 January reviewed coordination of action by the institutions with regard to some 60 development projects which they are financing in Arab, African and Islamic countries. An assessment was made of stages in implementation completed or relevant studies being undertaken.

In his inaugural statement, undersecretary of state for Finance and Industry and General Manager of the Abu Dhabi Fund for Arab Economic Development, Nasir al-Nuways referred to the need for solutions to the current crisis to enable the various countries concerned to fulfill their obligations to the institutions and help them overcome the economic difficulties from which they are suffering.

The meeting discussed several reports by financial institutions and development funds on projects and exchange of experience. A six-month action plan was agreed upon concentrating on three countries: Somalia, Tanzania and Madagascar.

The Arab Fund for Economic Development and the Kuwait, Iraqi and Saudi Funds were assigned the task of drawing up a paper on Somalia, the Arab Bank for African Economic Development to furnish a report on Madagascar and the Arab Fund, Arab Bank and Saudi Fund were requested to coordinate action relating to the three countries. It was also agreed that the Arab Fund prepare an appraisal form within two months to be sent to the participating institutions for their comments on projects being carried out.

The Executive Directors of the eight financial institutions taking part in the meeting discussed the status of about 35 projects being financed or carried out in the Arab States. The Saudi Fund, for example, has requested an appraisal of al-Karamah Dam project in Jordan the cost of which is \$125.17 million. It was agreed also that a mission be sent to Tunisia to identify feasible industrial projects for financing.

The Saudi fund announced that a study has been completed of the Bar Barah Dam project costing \$32 million and noted that the Algerian Government will be offering the Bani Harun dam project to Arab financing institutions in the spring at an estimated cost of \$652 million.

The meeting considered projects for domestic airports in the Sudan at a cost of \$30 million and expressed an interest in contributing to the project. The Saudi Fund, meanwhile, declared that it was allocating an additional 70.90 million riyal loan for the Jazirah project and granting a 54.50 million riyal loan for sugar producing projects. The Kuwait Fund expressed its interest in financing access road projects at a cost of 11.20 Kuwaiti dinars.

As regards development projects in Syria, the Islamic Bank announced that it is sending a mission to appraise al-Khabur irrigation project and requested that studies of the Damascus sewerage project be updated.

The Arab and Kuwait Funds expressed their desire to contribute to small scale projects in Lebanon in view of the problems involved in implementing large projects.

Insofar as concerns projects in African Muslim countries, the Islamic Bank voiced its interest in assisting education modernization projects in Mauretania, the Saudi Fund meanwhile evincing its desire to identify feasible projects. Discussions also centered on projects to develop Aden oil refinery, water supply, repairing the Sanaa-Hudayda route and an electric power linkup of the Peoples Democratic Republic of Yemen and the Yemen Arab Republic.

The Executive Directors reviewed some 24 projects financed in African countries most of which are for electricity, roads, water supply and ports, as well as food development projects such as fisheries and poultry farming.

For example, projects in Burundi considered include low cost housing, development of Bujumbura harbor and a sugar production project. Financing of electrical transmission and distribution networks in Tanzania was also discussed as well as the trans-West European [as published] overland route. The Arab Bank declared that it will finance the project during the first quarter of this year. The Islamic Bank expressed its readiness to finance the construction of oil tanks in the Comoro Islands at a cost of \$3.65 million and develop roadworks in Domoni, Komoni and Moroni port as well as the Kitarama-Rohanjeri roadway.

13291/12851
CSO: 4404/205

SEMINAR DISCUSSES ARAB LOANS, FOREIGN INVESTMENT

Abu Dhabi AL-ITTIHAD in Arabic 13 Jan 87 p 16

[Article: "Conclusion of Seminar on Arab Lending Abroad; Consolidation of Arab Capital for National Investment Demanded; \$154 Billion of Arab Debts Through October 1986"]

[Text] A seminar on "Arab Lending and Investments Abroad" wound up its meeting in the Jordanian capital yesterday afternoon. The seminar was part of the Symposium on Arab Thought in which some 50 Arab savants and specialists participated. The seminar considered the feasibility of tackling the problem of Arab lending and investment abroad. The participants came to the conclusion that Arab balances abroad are at considerable risk. They urged that Arab capital be channelled to Arab investments, an Arab system and potential to manage invested capital be set up, an Arab financial market founded and inter-Arab trade set in motion.

Papers and discussions brought out the constraints to utilization of Arab capital resulting in the flight of capital abroad, stressing that some system needs to be developed to assure Arab capital and arrange to guarantee investments.

A number of seminar participants underscored the importance of special attention being paid to the "political element," economic decisions being, in fact, political in origin. The participants demanded new policies allowing Arab capital guaranteed freedom of movement and investment.

According to World Bank statistics presented at the seminar, preliminary estimates of Arab outstanding debts abroad through October 1986 amount to \$153.389 billion distributed in the Arab world as follows:

Algeria \$16.331 million; Bahrain \$940 million; Dibouti \$256 million; Egypt \$42.578 million; Iraq \$10.893 million; Jordan \$3.890 million; Kuwait, no definite figures; Lebanon \$3.427 million; Libya \$4.407 million; Mauretania \$1.622 million; Morocco \$16.980 million; Oman \$2.602 million; Qatar \$898 million; Saudi Arabia, no definite figures; Somalia \$1.923 million; Sudan \$8.990 million; Syria \$6.770 million; Tunisia \$6.823 million; United Arab Emirates \$13.110; South Yemen \$1.420 and North Yemen \$2.863 million.

Participants urged Arab self-reliance by increasing the ability of debtor Arab countries to handle their outstandings by means of production, viable economic management and increased Arab exports.

A number of speakers referred to the fact that International Monetary Fund policies incorporated essential acceptable elements. On the other hand social implications must be taken into consideration when the IMF requires certain countries to eliminate subsidies for staples.

The seminar brought out the need for the stringent management of Arab country balance of payments and determination of Arab currency exchange rates on realistic and flexible grounds. Moreover borrowing from world commercial banking on market terms should cease particularly in respect of short term, high interest loans for investment in medium or long term projects with a consequent accumulation of outstandings and debt service payments.

13291/12851

CSO: 4404/205

BRIEFS

CURRICULA STANDARDIZATION--The state of Qatar will participate in the 9th session of the general conference of the Gulf Arab Office of Education, to be held from 23 to 26 March in Abu Dhabi, with a delegation headed by Shaykh Muhammad Bin Hamad Al Thani, the Qatari minister of education. A responsible source stated that the conference will discuss a number of topics, including plans for developing and standardizing the curricula in the Arab Gulf states and the establishment of an educational industry to discuss the educational needs of member states and the progress of teaching "the joint Gulf value" at the various educational levels in member states. This is in addition to joint programs aimed at training and raising the professional standard of educators. [Text] [Abu Dhabi AL-ITTIHAD in Arabic 23 Jan 87 p 5] 12502

ARAB MARITIME FLEET DATA--The Arab maritime fleet, in the period from 1981 to 1985, realized considerable development in the number of ships and load capacity. The number of ships with a load capacity of over 100 tons has grown from 2,053 to 2,652 ships during the aforementioned period, or a 29.17 percent increase. Statistics put out by the Arab Academy of Maritime Transport in al-Sharjah on the development of the Arab maritime fleet for ships with a load capacity of over 100 tons indicate that the overall load capacity of the Arab fleet in 1985 was 12,638,564 tons of freight. The statistics showed that, with regard to the number of ships of over 100 ton load capacity owned by each state, Saudi Arabia has maintained ownership of the largest number of maritime commercial ships at the Arab level. In 1985 it owned 514 ships, followed by Egypt, 404 ships; Morocco, 292 ships; Lebanon, 247 ships; and Kuwait, 244 ships. The UAE placed sixth among the Arab states in the number of commercial ships owned. In 1985, the UAE owned about 234 ships, followed by Iraq, 152 ships; Algeria, 144 ships; Libya, 103 ships; Bahrain, 70; Tunisia, 63; Qatar, 61; Syria, 53; Mauritania, 45; Somalia and PDRY, 27 each; Oman, 26; Sudan, 22; YAR, 10; Jordan, 8; and Djibouti, 6. [Text] [Abu Dhabi AL-ITTIHAD in Arabic 26 Jan 87 p 21] 12502

CSO: 4404/220

U.S. PROPOSALS ON MILITARY DEBT CRITICIZED

Cairo ROSE AL-YUSUF in Arabic 19 Jan 87 pp 14, 15

[Article: "Egyptian Reservations About the American Solution to the Military Debt Problem"]

[Text] After 4 years of ceaseless discussions, the American administration has finally offered us a solution to the problem of military debts owed to America. Until now, these debts have cost us approximately \$4 billion in interest which we have paid in past years. Nevertheless, we have not yet repaid a single dollar of the principal of the debts. What we have been paying until now is limited to interest; the time to repay the installments [of the principal] has not yet arrived! At the end of the period of years fixed for repaying these debts, the figure in question will rise to more than \$10 billion!

But...

The Egyptian administration believes that more discussions with the American administration on the problem of military debts are still necessary, because, as President Mubarak has said, the solution offered to us "has negative aspects."

The solution presented by the American administration, according to the explanatory memo that Dr Kamal al-Janzuri received from the American ambassador 3 weeks ago, calls for a lowering of the currently paid interest rate on military debts to approximately half, or 7.5 percent, and a 22-year deferment of repayment of the remaining 6.5 percent, estimated at about \$3 billion, so that its repayment will begin in the year 2009 and end in 2014, with the beginning of repayment of the installments on the final, or seventh, of the American military loans to us.

During these years, supplementary interest will be imposed, compounded on the interest whose payment has been deferred, and Egypt will of course undertake to repay this when the time for repayment comes in the year 2009.

Merely a Solution!

Almost the only positive side that Egyptian study has been able to find in this American solution is that it represents an announcement that more than 4 years of American studies of the Egyptian military debt problem and of Egypt's request for creating a solution have come to an end. Not to mention the fact that this solution allows Egypt a reduction in the yearly interest that it now pays on the military debt to only \$300 million and saves the Egyptian treasury a corresponding sum over the space of 22 years, the solution calls for rescheduling the interest on the military debt.

However, the conditions that the American administration has set for completing the debt rescheduling operation are, as Egyptian study has concluded, inappropriate, even harsh, because they add new burdens upon Egypt, burdens that will tie Egypt's hands for the next 22 years. This is perhaps what President Mubarak meant by the negative aspect of the American solution.

Five Reservations

In general, after studying the American proposals, which have been acclaimed by some American newspapers, [the Egyptian government] has discovered many defects in them and has formulated these defects as five specific Egyptian reservations to the proposals:

First, the American solution includes only deferment of repayment of about half the interest on the military debt for a number of years and rules out all the other Egyptian proposals discussed over 4 years with the American administration: e.g., cancelling all or part of these debts, cancelling all or part of the interest on them, lowering the interest, or even obtaining additional financial aid in cash to be used in paying the interest in question, which in itself gobbles up every year three-quarters of the new economic aid that America gives to Egypt.

Even this deferment of interest payments is limited to less than half of the interest, not the whole.

Second, as for the half of the interest for which deferred payment has been proposed, Egypt, according to the American proposals, will have to pay this over a period of only 5 years when the time for repayment comes, i.e., an average of \$600 million a year, to which will be added, of course, the undeferred half of the interest. Thus, the amount we pay in interest on the military debt will rise after 22 years to the vicinity of \$1 billion a year. This in itself is equal to all the receipts of the Suez Canal!

Third, according to the American proposals, "supplementary interest" will be imposed on the interest that is deferred. New American burdens will thus be added to burden the Egyptian economy, rather than America's playing a role in lightening these burdens as Egypt has insisted for the past 4 years. If the American proposals are implemented, the value of interest on our military debts will rise to \$10.6 billion, even though the principal of the debt is no more than \$4.5 billion. I.e., we shall pay \$1.50 for every \$1 we borrowed from America!

Fourth, this American solution is not one that is specific to Egypt alone. It is a proposal that has also been offered to about 37 other countries with military debts to the United States in spite of the varying severity of the problem for each of these countries. In spite of the "special" Egyptian-American friendship, this "special friendship" has been of no help to Egypt in reaching a "special" solution to the problem of the American military debt, a solution that would lighten the burden of this severe problem on the Egyptian treasury.

Fifth, even more than this, Egyptian economic authorities see the American proposals for solving the military debt problem as a kind of retreat in the American position toward the Egyptian economy. A few days before these proposals were officially presented to the Egyptian government, a U.S. government representative stood up enthusiastically to support a Saudi request that Egypt's principal creditors as a group quickly confirm the Egyptian agreement with the IMF and reschedule about \$10 billion in Egyptian debts falling due within the next 3 years.

If the agreement takes place, the United States will bear the largest share in the operation of rescheduling Egyptian debts, it being Egypt's first and greatest creditor.

However, the enthusiastic American support for the operation of rescheduling Egyptian debts has not been translated practically into formulating appropriate and satisfactory conditions for the operation of scheduling the most oppressive of the American debts to Egypt, the military debts. Quite the contrary, these conditions have been severe.

New discussions are now under way about these conditions and reservations between a special American delegation and the [Egyptian] government. This is the first round in the fifth year of negotiations about the military debt problem.

12937
CSO: 4504/113

FORMER INDUSTRY MINISTER DISCUSSES ECONOMIC ISSUES

London AL-TADAMUN in Arabic 17-23 Jan 87 pp 39-41

[Interview with 'Aziz Sidqi by Hamidah Na'na': "Architect of Egyptian Industry Dr 'Aziz Sidqi to AL-TADAMUN BUSINESS: Open-Door Policy Winds Swept Away Egyptian Industry"; in Cairo, date not specified]

[Text] While 'Abd-al-Nasir was touring some factories established by the revolution, he met an Egyptian engineer who proceeded to explain to the president, without tedium, the need to develop Egyptian industry and the problems of the public sector. When the engineer finished what he had to say, he was surprised by President 'Abd-al-Nasir giving him an appointment to meet with him at his presidential office. Very soon after that the engineer found himself responsible for the Ministry of Industry. 'Aziz Sidqi thus got into the cabinet and for many years (1956-73) he was responsible for the development of industry and the implementation of the first 5-year plan in Egypt.

When the economic open-door policy dawned at the beginning of the second half of the seventies, he got into a disagreement with al-Sadat and left the cabinet without publicity. Indeed, since his departure from the cabinet, he has seldom talked to the press or anyone else. In this exclusive interview with AL-TADAMUN BUSINESS, 'Aziz Sidqi talks about Arab industrial projects and the Arab Common Market and puts forth practical concepts on possible economic cooperation and integration among Arab countries.

Following is the text of the interview conducted at his office in Cairo:

[Question] Is it possible for the Arab countries to rely on agriculture, it being their main source of development, within the compass of the doctrine that it is impossible to establish a strong Arab industry to compete with Western industry?

[Answer] This question can be answered if we agree on the importance of industry as a modern source of growth and progress. I say agree because we have discovered, after a period of development and industrialization, that some doubt the benefit of industry. This happened when al-Sadat said "we made a mistake when we established industry, we are an agrarian country."

This is what al-Sadat said when he was at the helm of power. It is natural that his words should influence the process of the young society in Egypt or in the Arab world. We should be aware of the nature of the Arab development dilemma, for we are suffering backwardness by all standards. Perhaps this is attributable to colonialism and colonialist plundering that left the Arab countries in a state of backwardness in terms of economic structure.

Can this be achieved by having modern industries or by concentrating on agriculture? I say we have great Arab capabilities, capabilities that heretofore have been untapped throughout the colonialist era. Colonialism took over all those natural resources to export them to us as manufactured goods.

In Egypt, for example, British colonialism kept on using Egyptian cotton to support the textile industry in Britain, and Egypt, throughout the entire period of occupation, was nothing but a cotton farm without a serious attempt at industrialization. As for the Arab oil countries, their oil resources were not discovered until much later. Kuwait discovered oil in 1954, followed by Saudi Arabia. This means that the natural resources necessary for the establishment of a complete Arab industry are available in abundance. So why should we go back once again to where we started? I mean, why should we go back to agriculture?

[Question] How can natural resources in the Arab World be employed with a view to establishing a strong industry that allows the Arabs to join the age of big industry and to enter the field of competition with the West?

[Answer] A scientific examination of Arab economic capacities and capabilities reveals that the Arab world is indeed rich in resources. Resources here does not mean money and riches only for there other elements such as manpower, expertise and technology.

The Arab world has many of these constituents. Natural resources are present partly in Saudi Arabia and the Gulf countries in the form of mineral and oil resources needed to acquire energy and necessary funds for development; in Sudan that has vast areas of uncultivated land; and in Egypt that has a massive trained human resource that possesses expertise and technology. To elaborate on this, Sudan has 120 million cultivable feddans that only lack roads and utilities. There is another area (the Euphrates) in Iraq with fertile land and regular sources of water (rivers).

If we possess such agricultural capacities, the irony here is that the Arab countries import 60 percent of their food. Saudi Arabia may have succeeded in solving the problem of importing wheat by growing it in the country, but the cost is extremely high.

Hence, our problem is that of "planning," or employing Arab capabilities in accordance with a pan-Arab plan to promote agriculture, industry and growth at all levels. It is curious that my doctorate dissertation dealt with planning, and I posed the question of whether planning was done on the regional level?

Or on the pan-Arab level?

This question can be raised theoretically. Egypt had practical experience in planning during the first 5-year plan (1960-65) that achieved the highest rates of growth in the Third World. This experience impels me to say that planning must be at the pan-Arab level.

I would like to give you an example of the lack of planning in the Arab world. Before I took over the Ministry of Industry in Egypt, the word "planning" was not known, so I wrote an article in the Cairo AL-AHRAM newspaper, saying that "planning" is a word derived from "plan" and not "line" because people used to think that planning means "laying out streets."

I may have succeeded in initiating economic planning in Egypt at some time in history, but experience has convinced me that Arab integration is the only road to the future.

This means that the Arab industrial boom must have a pan-Arab configuration whereby efforts and energies are united so as not to be dissipated in a regional fashion that serves no useful purpose.

[Question] Perhaps the industrial boom of which you speak calls for a rediscovery of natural resources stored up in the Arab world, or a reexploration of our capabilities and ways to utilize them?

[Answer] Yes. There are still Arab natural and human resources that have not been utilized, and, indeed, some of them have not yet been discovered. There is phosphate in the Egyptian Western Desert in an area called "Abu Tartur." I signed an agreement with the Soviet Union to extract 7 million tons a year, with the proviso that the USSR buy this phosphate. However, phosphate was not discovered until the second 5-year plan.

When I mean to say is that it is definite that Arab land has in its depth as yet unexploited and undiscovered mineral resources and what we need is a research plan to chart the real capabilities and thereupon think of ways and means to make use of them.

I will give you an example to corroborate this point. What is the size of cultivated Arab land in proportion to the total area of Arab territory?

The answer is 20 percent only, while we import 60 percent of our food. We import 600,000 tons of sugar a year, whereas if we were to allocate 100,000 feddans in Sudan for growing sugar cane and set up 2 plants nearby to refine sugar, the problem would not exist and sugar would not be imported, especially since agricultural and industrial expertise is available, namely at the Egyptian sugar plants; necessary money, land reclamation, road building and plant construction can be found in Saudi Arabia and land is plentiful in Sudan. Therefore, if these capabilities are integrated and managed through planning, the Arab world would turn into an independent model of growth and development.

[Question] "He who does not own his food, does not own his freedom." To what extent is this motto embodied in the Arab reality and how can dependency be overcome to achieve the independent growth model?

[Answer] This brings to mind what Ghandi said: "I cannot fight those who clothe me...who give me clothes."

There are many other axioms and mottos that underscore the notion that economic dependency is a noose around the national neck and it is important that the Arabs understand the importance of economic independence for it liberates the country from foreign forces. Therefore, self-sufficiency is an important step on the road to national independence. This independent economic growth solves many Arab economic problems, among which are employment of surplus labor, solution to the masked employment problem, utilization of local resources and making foreign currency available.

As for economic dependency, it widens the gap between the industrialized countries and the developing, or importing, countries to such an extent that the industrialized countries took advantage of the recent oil crisis to lower oil prices while the prices of goods manufactured in the west have skyrocketed.

Hence, we can say that, in the shade of Arab economic backwardness, the Arab oil cycle begins and ends in Europe.

I recall here that I used to attend lectures at Harvard University under the topic, "Development Resources," and the lecturer used to say that the entire world is in need of development that relies on raw materials coming from Third world countries into industrialized countries with experience in this field. This is what is now called "division of international labor."

[Question] Under the first 5-year plan that was implemented in Egypt in the first half of the sixties, was the required balance between imports and exports achieved?

[Answer] To a point because the plan was supposed to continue, for it was a 10-year plan divided into two phases. At first, the 1956 plan was put forth, but did not get under way until the end of 1959 when the 'Ali Sabri cabinet was formed. We presented an economic chart of Egypt's capabilities and needs. The plan's ruling principle was that only goods that could not be produced in Egypt would be imported, such as scrap iron which we used to import from the Soviet Union to operate a section of the iron and steel plant for reexport to the Soviet Union.

The industrialization process is governed by two factors: capabilities and needs. For the first time in Egyptian and Third World history, a developing country achieved a growth rate of up to 6.7 percent, based on World Bank and other world economic institutions estimates. This is an important indication of the importance of the plan and industry in building a modern society.

[Question] As the real architect of the building of the public sector in Egypt, how do you envisage the role of the private sector in development plans?

[Answer] At the theoretical and practical levels, it appears that the private sector in the Third World cannot shoulder the responsibility of development by itself, for heavy industry such as iron and steel and the aluminum factories do not provide a profit margin that causes the private sector's mouth to water because iron and steel factories yield no more than 5 percent in profits, a rate that does not encourage capital investment. A capitalist prefers to put his money in a project that yields up to 30 or 50 percent of his capital in profits.

If we examine the circumstances associated with the construction of the iron and steel plants in Egypt, we find that it was done with the help of the Soviet Union through easy-term loans up to 2 percent and a grace period of 15 years, in addition to buying our plants' production surplus.

If we wanted to build such a plant nowadays, we would need \$5 billion. What Egyptian or Arab capital can contribute to such a project, keeping in mind that there would not be a profit for 6 or 7 years. Therefore, the private sector has an important role, but within the scope of the development plan led by the public sector.

[Question] What kind of role did the private sector in Egypt play in the 5-year plan and did the private investment sector fulfill its role in full or did it pull back in some cases?

[Answer] The private sector fulfilled the role prescribed for it in the plan, no more, no less. However, it must be made clear that during the 5-year plan (1960-65), Egypt did not have any billionaires. Indeed, those who had a few thousand Egyptian pounds were considered rich. An Industries Union book published in 1952 contained a statistic that substantiated the fact that industrial investment amounted to 2 million Egyptian pounds in a full year. Of course, at that time there was no revolution and no nationalization. This is a small sum, not enough to build "a modern poultry farm," let alone a huge factory. The irony is that following the 1957 nationalizations, private sector investment totalled 12 million pounds, again not enough to effect modern industrial development.

When we embarked on the 5-year plan, we did not have a decisive position against capitalism. Indeed, I received some offers from foreign pharmaceutical companies that set a condition that foreign capital be 60 percent and national capital 40 percent. I went to Jamal 'Abd-al-Nasir who said to me: "Are we going to go back to foreign companies again?" I told him: "Mr president, these are companies that have the expertise and the technology. A company like Pfizer has a research budget of \$20 million a year and we need the expertise and the technology."

'Abd-al-Nasir agreed and we set up 3 pharmaceutical plants that were of benefit to Egypt. This underscores the fact that we have never been, at any time, against a productive and unexploitative private sector!

[Question] Were you as flexible and as understanding in dealing with the foreign oil companies that came looking for oil in your country?

[Answer] Yes, this is exactly what happened! I was the one responsible for bringing in foreign oil companies. I recall that hell broke loose against me in Egypt, and 'Abd-al-Nasir told me "we don't want foreign companies."

When 'Abd-al-Nasir agreed, I went to the foreign companies and reached an agreement with them, saying: "You look for oil and when you find it we will found a production company with 75 percent Egyptian ownership." The Phillips and Pan American Companies agreed and I gave them the entire north shore. Six months later, Pan American discovered the Murjan field that saved us in 1961. We produced 21 million tons a year. I would like to say that 'Abd-al-Nasir was not against the private sector at all, so long as it was not exploitative.

[Question] Do you not believe that there were shortcomings and criticisms of the public sector's role, including the policy of assigning workers to plants without consideration for need, thus creating the phenomenon of masked unemployment?

[Answer] To be sure. Every experience has its mistakes and shortcomings. It is natural to have constructive, not destructive, criticism. Let us take the labor problem which I think was not a problem at all because in all the countries of the world the government is committed to the policy of assignment. This is true of the socialist countries as it is true of Sweden. What I would like to make clear is that the employment experience in Egypt was successful and productive. There was real harmony between the workers and the establishment. The productivity of the Egyptian worker at public sector plants was high. There were incentives as well as penalties against corporations for departing from the plan's objectives. Hence, it was not a random affair, but rather one that was guided by a plan and principles that believed in the importance of employee training and social security and health benefits. These corporations and plants built by the revolution are what have preserved Egypt's economic entity up to this day.

[Question] Suppose the development plan that got under way in 1960 had continued without interruption, in what kind of shape would the Egyptian economy have been?

[Answer] It would have been possible to realize self-sufficiency in the greatest part of our needs, and may have had a real chance at exporting and, consequently, providing investments to complete the plan. This actually happened when we exported the "Ideal" refrigerators during the 5-year plan. We had production development projects that allowed us to export. This was part of the objective that was impeded because of the June 1967 aggression.

[Question] Can we say that the years of industry and of the development plan in Egypt (1958-72) were able to realize an upturn in the standard of living?

[Answer] Yes, we can say that, as evidenced by the fact that in the 1958-72 period, 14 years, we were able to establish the growth foundation of Egyptian industry, and at that time, as people well remember, there were no runaway prices, as there were no lines and no housing crisis. Rather, Egypt experienced price stability and higher wages in the sixties. The development plan was realizing a 14 to 20 percent surplus a year, and it was natural that this should reflect on life in Egypt. Indeed, I go further than that to say that the industrial and agricultural boom of the sixties was able to support national liberation movements and the war effort without any significant deficit in the state's general budget.

[Question] Historically, Japan took off during the same time as Muhammad 'Ali and was broken after World War II. But it raced along once again at the same time as the Egyptian industrial experience. However, there seems to be a vast distance between Egypt and Japan in terms of industrial progress?

[Answer] We are not Japan. Our circumstances are different. Our spheres of struggle are different than those of Japan. I am a man of planning and I understand what the circumstances of every country mean. The material and human resources and capabilities in Japan are totally different from Egypt's resources and circumstances. Nevertheless, had the circumstances that surrounded Egypt in 1967 not existed, Egypt's situation in terms of industrial revival would have been different.

[Question] The open-door policy brought forth an economic philosophy different from the course followed by the Egyptian economy. What implications has this policy had on your industry?

[Answer] The winds of the open-door policy swept away everything. At first, al-Sadat abolished industry and many industrial companies stopped operation or reduced production. Some problems, heretofore unknown, came into being, including the problem of supplying raw materials and foreign currency to complete the plant retooling and modernization process. The goods inventory piled up and the national industry came up against foreign competition. All these had negative effects on Egyptian industry and the entire Egyptian economy, for Egypt's debts rose at a frantic rate which none had expected and imports totalled \$4 billion a year while exports dropped drastically.

[Question] "A hundred percent Egyptian car." How can this industrial dream be embodied?

[Answer] To be sure, this will not happen overnight because the auto industry needs enormous resources and capabilities. The question here is: Do I import a car or do I manufacture it?

Naturally, importation is unacceptable and manufacturing is desirable. But in order that the Egyptian car dream not seem like daydreaming, which is required now is the manufacture of any auto parts that can be produced locally. Through Egyptian factories we have been able to manufacture 25 percent of the car, but things took a different turn and General Motors came to turn things around once again to take the Egyptian auto industry back to square one.

That is why I say that we need to advance the industry step by step, especially if this were done in accordance with a set plan with the necessary allocated financial capabilities and an expertise that is enhanced day after day.

[Question] If the dream of Arab unity at the political level is still hovering over the horizon, can economic unity among the Arab peoples be achieved?

[Answer] I do not think that things in the Arab world are going in that direction. Peoples may believe in great things like Arab unity, but the regimes place many obstacles in the way of the peoples' dream.

12502

CSO: 4504/121

PRESIDENT OF MONEY MARKET ORGANIZATION INTERVIEWED

Cairo ROSE AL-YUSUF in Arabic 19 Jan 87 pp 22, 23

[Interview with Dr Hasan Fajj-al-Nur, president of the Money Market Organization, by Tahiyah 'Abd-al-Wahhab: "The Market Is Now Confronting the Abuse of Fraudulent Financial Investment Companies"; place and date not given]

[Text] During the last few years, the phenomenon of unlicensed investment companies has become widespread. These companies gather the savings of Egyptians working overseas or at home and use them in foreign currency trading or speculation on the price of gold or certain precious metals.

Gradually, these companies have become a serious competition for productive banks and investment companies, because they have enticed savers with an extremely high return, in excess of 30 percent, in view of the fact that speculation or currency trading operations realize enormous profits.

However, after gathering huge sums from savers, many of the owners of these companies have fled overseas with the money. The owners of the savings have of course paid the price.

Also, some of these companies have incurred heavy losses due to speculative operations.

The investment companies have nevertheless continued to operate. In fact, their activity has broadened after an increase in their number.

To protect citizens who are being deceived by the owners of fraudulent or speculative companies, a law was enacted calling for the imposition of specific regulations on the activity of these companies. It gives the money market exclusive right to license them to gather and invest the money of citizens.

I therefore went to Dr Hasan Fajj-al-Nur, president of the Money Market Organization, to ask him about the organization's efforts to regulate the activity of these companies in order to protect the owners of savings.

However, first we had to learn from him the story of the money market itself: What is this market? Why was it established?

Why the Money Market?

[Answer] The Money Market Organization was established in 1981 by Law 159 in order to encourage the Egyptian investor to invest his money. This law gave the Egyptian investor the same advantages that the foreign investor enjoyed. Indeed, it gave him more advantages. As a result, the volume of money circulating in the money market increased.

The money market (stock exchange) has two divisions: the issues division, and the currency circulation division. The issues division has two branches: the division of stocks (certificates of ownership of the capital of companies that are formed, announced for public sale, and registered on the stock exchange), and the division of bonds (certificates of financial obligation).

[Question] What about the development of the activity of the stock exchange?

[Answer] I would like to mention here that even during the period of nationalizations the stock exchange was closed only for 2 months and that there was an endeavour to keep it open even though the volume of activity on it decreased markedly. In 1958, for example, the volume of activity was 66.7 million [Egyptian] pounds. In 1965, it amounted to 2.8 million pounds on the Cairo exchange, and 1.8 million pounds on the Alexandria exchange.

In 1974, the volume of activity on the Cairo exchange was 4.1 million pounds, and volume on the Alexandria exchange was .5 million pounds.

In 1980, however, the volume of activity increased, rising to 9.8 million pounds in Cairo and 1 million pounds in Alexandria.

In 1983, it increased even further to 25.1 [million pounds] in Cairo, while remaining steady in Alexandria.

The volume of activity has continued to increase. In 1985, it reached 114.6 million pounds in Cairo, and 11.2 million pounds in Alexandria.

The number of companies registered on the stock exchange through the end of 1981 was about 63 companies, with a capital of 180 million pounds. In 1984, however, this had risen to 263 companies, with a capital valued at 1.358 billion pounds. By June 1986, it had further increased to 357 companies, with a capital of 2 billion pounds.

(The president of the money market goes on to say:)

As for the companies established under Investment Law 43, we find that the percentage of share ownership in them by Egyptians is 64 percent, by Arabs 19 percent, by Americans 5 percent, and by Europeans 6 percent.

[Question] What about the Money Market Organization's efforts to do away with the phenomenon of fraudulent investment companies?

[Answer] A law has been passed prohibiting this abuse by prohibiting the collection of the public's money except by license from the Money Market Organization. The purpose of the law is not to prevent the establishment of investment companies, but rather to safeguard the money of shareholders in them.

We have sent letters to the existing unlicensed companies calling on their owners to enter the sphere of legitimacy and obtain licenses in accordance with the conditions fixed by the law.

In 1980, the number of companies registered on the stock exchange was only 24. In 1986, registration reached 375 companies. The volume of transactions on the stock exchange was 126 million pounds in 1985. In 1986, it will exceed 200 million pounds. By the end of 1986, the capital of these companies will reach 2 billion pounds.

This means that some of the companies in question have complied with our request that they take out licenses and be registered on the stock exchange.

We are now working to follow up the implementation of the law and to increase the level of awareness on the part of savers, informing them of their rights, and providing alternative additional means to attract these savings and invest them in ways that serve national investment goals and interests and that safeguard their money at the same time.

The law obligates these companies to be joint-stock companies. It allows them to gather a fixed amount of money within a fixed period of time to be used for specified purposes under the supervision of the Money Market Organization. Other companies that are not joint-stock companies or that are personal companies do not have the right to apply for this license. These companies have a special character because they are companies of individuals, not joint-stock companies. We are therefore calling upon them to enter the sphere of legitimacy and obtain a license to gather money on the conditions set down by the law.

The law regulates this operation and safeguards the money of savers. If these companies are in earnest about carrying on legal operations for the benefit of savers and for the benefit of the Egyptian national economy, the law does not prevent them from obtaining licenses.

[Question] Why does the Money Market Organization not propose new offerings and projects to be an alternative to these illegitimate companies?

[Answer] There are offerings being put forth on the bond market from companies that are realizing appropriate returns, some of them yielding about 15 percent. These are legal companies, registered on the stock market, and the saving public can trade in their shares.

For example, the organization has also prepared the draft of a law currently being debated in the Ministerial Council. This would provide for the establishment of leasing and transfer companies with respect to companies in the private sector.

We are also encouraging the establishment of companies to hold shares in risk capital. Companies, that is, would be formed to take over failed companies, with the reservation that the company with risk capital does not have the right to take final possession of the failed companies, but rather shares in their management for a limited time in return for a limited return, and that the remittance it paid previously will be repaid to it after a specified time.

12937

CSO: 4505/113

SADIQ AL-MAHDI SEES CLOSER TIES, PACT WITH IRAN

Tehran KAYHAN AL-'ARABI in Arabic 20 Dec 86 p 11

[Interview with Prime Minister Sadiq al-Mahdi: "Al-Sadiq al-Mahdi in a Comprehensive Interview with the Editor-in-Chief"; in Khartum, date not specified]

[Text] The important developments that have been witnessed for 16 months now by the Sudanese arena at the domestic, regional and international levels are still unknown to many Muslims in the world. Consequently, KAYHAN AL-'ARABI newspaper found it its duty to shed light on the whole array of developments in this country that is experiencing democratic practices based on the realization of social justice. Hence the following interview the editor-in-chief conducted with Prime Minister Sadiq al-Mahdi at his private office in Khartum a few days before he left on a visit to Tehran.

[Question] You took charge in Sudan following 16 years of the al-Numayri regime that led the country to hell in all fields. In your estimation and based on government calculations, what kind of success and progress will you achieve for Sudan?

[Answer] This government concentrated on the need to achieve a real accomplishment in the shortest time of its term in at least four fields, the first of which is the economic situation. We inherited a disintegrated economic system and had to put the Sudanese economy back on the track of production, efficient services and all the means that restore life to it. I believe that in a period of 6 months we have turned things around and this country, that was living off foreign aid, now has an abundant agricultural production and its economy has shifted from a negative 2 percent to an actual 8 percent growth rate. We believe this is progress which we will consolidate and expand in the short run, God willing. The second field is legislation. Our commitment is Islamic and, in the al-Numayri era, the Shari'ah was applied in ways that hurt Islam and justice. We are now working on alternate Islamic legislation able to accomodate modern developments and to guarantee the rights of the religious minorities and Islamic justice. This is what we have actually legislated. These laws have been legislated in almost all fields and have only to be ratified by the Constituent Assembly Council to become the law of the land. This is the second accomplishment we have undertaken in this short period. The third matter is the south. When we came to power, the

rebel movement in the south had succeeded in closing off all roads to it. The railroad, the river waterway and land roads had been closed. It had also succeeded in destroying agricultural production areas. We have been able, however, in a short period of time to restore all channels, land, air, railroad and waterways throughout the south, and we have ensured production in agricultural production areas. This is from the standpoint of continued military action to defeat the rebel movement.

From the political point of view, we have been able to establish a state policy aimed at solving the problem and removing injustice through peaceful settlements. We have identified the points of contention and have planned for the national constitutional conference. In our opinion, the only thing preventing the rebel movement from responding to this clear and candid stance is the Ethiopian hold over it. Ethiopia wants to use the movement as a means for spreading Marxism in the area and this is the stumbling block. This movement, which is still causing unrest in the country, is a tool in Ethiopia's hand and not a genuine movement. Nonetheless, we are working to contain it and limit its damage to the country's security. We believe that a great development will soon occur in this regard. Either Ethiopia will be convinced of the danger of this hostile line and will take its hands off this movement which it has been exploiting for expansionist ends, at which time we will conclude an agreement to settle the security problems peacefully, or the movement itself will realize that continuing to serve Ethiopia's ends is not in its interest and will free itself of Ethiopia's grip. This also means that an agreement will be concluded, or that supporters of this movement and those who carry arms will see that their leadership has become Ethiopia's captive and will therefore work to free themselves from their leadership's hold to conclude an agreement for a peaceful solution. One of these three things, God willing, will deal with this matter. At any rate, the government is proceeding head on with its peaceful policy and military security policy and hopes that its security and political objectives will be realized through the hoped-for agreement.

The fourth matter in which we think we have succeeded in making a real difference is putting an end to the policy of isolationism and dependency the government in Sudan was following in its foreign policy. Sudan used to be a country that was a follower in regional and international policies, but now it has taken off in the direction of non-alignment in international policy and the development of independent positions in all the fields that serve our higher goals and interests. These are four things where clear accomplishments have been realized. We hope to focus in the future on these four fields as well as on the building of democratic institutions in the country and to be able to make a success out of this democratic experience in Sudan on the basis that it is a democratic experience, on the one hand, and an attempt to apply Islam under the circumstances of our time, on the other hand. It is also aimed at achieving a balance among factions of different religious persuasions, customs and affiliations. Therefore, we are going to realize a democracy of equilibrium or a democracy under equilibrium. We believe that this constitutes a great accomplishment if we succeed in providing continued support to the democratic system that can achieve this balance and keep on going in the various fields.

[Question] Your ascension to power came at the heels of a popular uprising and you personally enjoy grassroot support within the country. What are your assessments of the future of the people's interaction with the government to render the plans and the programs a success, and how do you evaluate the Sudanese people's responsiveness to you 6 months after you came to power?

[Answer] First of all, we believe that our moral strength and conscientiousness are derived from popular support. I think that this support, in a matter of half a year in power during which it could have been diminished or weakened, has been greatly strengthened. What I mean is that we sense a growing stock of support and great popular backing which we believe is a mark of divine providence support for us. In other words, if God wills something, He makes it possible. We have a definite feeling that this support is growing and we are doing everything we can, not only to maintain this enthusiasm, but indeed to augment it. We believe that popular support is the secret that enables the political leadership to confront all difficulties because, in the end, it is the supporter and the proof of divine contentment. Hence our feeling that this popular support is strong and we deal with it with mutual trust in order to open different channels for expression. It is true that the government is backed by certain parties, but in the discussion of various issues, we do indeed include the other political forces, regardless of their support for the government. This is true in all fields: civil reform, the study of emigrants' affairs, economic planning, higher education. All these issues open the door to extensive participation through political support for the government. This means more openness to the popular base.

Second, we continually hold meetings with editors-in-chief regardless of their newspapers position toward the government. This also opens a channel for give and take with respect to dealing between the government and the popular base.

Third, we hold meetings with party leaders as well, regardless of their support or non-support for the government.

Fourth, we recommend that all government policies be clear and representative of Sudanese public opinion. All this is first in recognition of the existing grass-roots support and second for safeguarding it and augmenting the information available to it. My definite feeling is that the Sudanese people in general express great appreciation for this course that respects them and appreciates their aspirations and responsiveness. I believe that we are actually changing the features of liberal democracy because liberal democracy stops at parliamentary support and emanates from institutions alone. We, however, are doing this and more. We are adding popular participation and a popular dimension as well as the preservation of popular zeal. We believe that this is bound to support government performance and renders government policies more responsive to grass-roots aspirations.

[Question] The May consequences are still evident domestically in Sudan, at the economic level in particular. Undoubtedly, the building process has begun and Sudan is a country rich in resources. Can you explain some of the important proposals you have put forward to lead Sudan to an advanced

position, especially since the country is burdened with very heavy debts, albeit inherited?

[Answer] Yes, there are many economic, administrative, ethical and financial consequences. We believe, however, that the policy we have followed is bound to save Sudan from these burdens and ugly legacy. All the accomplishments I have enumerated can be viewed as a way to rid ourselves of the ugly, weak, supplicant and dependent face of Sudan. There is a totally different attitude now. Wherever I go, at the UN in Rome at the Agricultural Development Fund, for example, talk centers around the policy of the new Sudan and its openness to the world in this fashion. I believe that now and in all fields we are outlining the means for dealing with the vestiges of the bygone regime. We have a civil reform plan and we will deal with the destruction that occurred in the civil service. We have a banking reform plan and an economic development plan to deal with development problems on a comprehensive scale, and so on. There are well-considered policies in all fields aimed at getting rid of the burdensome legacy. True, we have inherited tragedies such as the foreign debt. Sudan has inherited a debt equal to three times its GNP. This debt is large and we have a clear plan that starts with the public acknowledgement that this debt was accrued at the hands of an illegitimate and irresponsible government that misspent this money. This fact must be acknowledged inside and outside the country.

Second, it must be acknowledged that this debt, with the presence of an irresponsible and frivolous government, found other parties that helped it grow and accumulate. There were political governments that wanted to support the bygone regime in Sudan, going overboard in offering it additional debts to strengthen its economy. This group's role must be acknowledged as a real one that played a part in adding to this burden. Third, some foreign banks played a big role because they held large petrodollar funds they wanted to circulate and thus Sudan presented an opportunity for additional loans. Hence there were three partners to an irresponsible and illegitimate government that helped add to the debts despite the absence of economic justifications. Likewise, the banks that wanted to circulate their funds went overboard without economic justification. This fact must be recognized in order to determine international responsibility for this debt. We also contend that many of the figures are wrong and illegal, as manifested by the audits we have conducted. Therefore, in the wake of these audits and following the exclusion of illegal debts and the assignment of a role and responsibility in this to some other parties, the remaining burden is in fact owed by Sudan and Sudan will pay it within boundaries that do not impede its economic growth and will set aside a percentage of its export revenues without overstraining our economic capabilities to pay what has to be paid. We believe this is the best way to deal with this legacy.

[Question] There is much talk nowadays about a conflict among the rebels in the south where a relative calm has prevailed. How do you assess the situation there and does the question of the south still represent the irremediable problem facing government plans? Do you envision Sudan being able to surmount this crisis, God willing, and what is the Ethiopian role in actuality?

[Answer] The only point is the differences among the rebels. Yes, there are great differences among them based on three issues. There is the ideological difference. Some of them speak of Marxism while others believe that Marxism has no place in the south and it is better to speak of themselves as oppressed Christians and not Marxist forces. The conflict is over affiliation and ideological stances between those who want to stress the Marxist identity and those who want to separate the Christian and negro identity from the Marxist one. This is one source of conflict. The second conflict stems from some tribal elements, some of which see certain tribal control and hegemony over the situation in the south and they denounce that. There is also a political conflict between those who see a need for continued reliance on Ethiopian support, and hence continued subjugation to Ethiopia, and those who deem this policy wrong

and see the need to respond to the idea of dialogue and debate, particularly since Sudan has a democratic system. Dialogue and coexistence can be more effective and these differences are numerous and intertwined and we do not know their final consequence, but they are bound, of course, to weaken the rebel movement.

[Question] There is a lot of talk nowadays about the government's intention to introduce some amendments to the constitution. What are these amendments and what is the purpose behind them? Do you perceive that the actual constitution of the country represents the aspirations of the Muslim people in Sudan?

[Answer] The current constitution is a provisional one and is not expected to satisfy aspirations. The upcoming constitution is the one that will deal with these issues and will satisfy aspirations.

The intended amendments are limited and some of them are required to safeguard the laws we will enact to wipe out the vestiges of the Mayu regime.

Many of the existing conditions find protection in the constitution and Mayu elements and institutions can go to court to stop any measure against them. We want to eliminate this protection of Mayu corruption. Another amendment is aimed at adding to the constitution a mention of Islamic commitment and other entities that coexist with the Muslims. This is possible, of course, from an Islamic point of view: "O ye who believe! Believe in God and His Apostle and the scripture which He Hath sent to His Apostle and the scripture which he sent to those before (him)."

At any rate, we as Muslims, the Shari'ah itself under its rules and precepts, permits the presence of other entities and permits the customary law as another source of legislation. This is the second provision we want to amend to set down Islamic commitment and the ability to accommodate other entities. The third provision we want to amend--it is an addition and not an amendment--will give the government the right to enact legislation by a provisional order in the absence of the assembly. These are the amendments.

[Question] Recently, the May 1969 coup elements were sentenced to life imprisonment while the viper's head or the head of the al-Numayri regime is living happily under the protection of the Egyptian regime. How do you

actually assess Sudan's relations with the Egyptian regime with all its known practices, particularly its protection of fugitive al-Numayri and so on?

[Answer] It is indeed wrong for the government of Egypt to do this. Al-Numayri is a criminal and we are seeking his extradition and trial. I think this will happen.

[Question] You are about to pay a visit to the Islamic Republic [of Iran] and you have visited it before when you were in the opposition. What kind of results do you expect?

[Answer] There are commonalities between us and our brothers in the Islamic Republic inasmuch as we proceed from an Islamic premise, second from a popular premise, third from the premise of safeguarding the cause of the defenseless people and fourth, from the premise of an international policy based on that "honor belongs to God and His Apostle and to the Believers..." All these are concepts which I hope are borne out by our prayers and dealings. One issue that is very much on my mind is the unity of the people of the Qiblah in that we must focus on what brings us together because we believe in one Book, one prophecy and one prophet, so as to agree on an Islamic pact that focuses on what brings us together. I have personally debated a group of Shiite ulemas on the idea of such a pact and we now have specific proposals and will see how they can be developed into an actual full Islamic pact. We are diligent and hopeful that we will achieve in this stage accomplishments along the lines I have already mentioned, and I expect this visit to be the right time to define the economic, trade and cultural channels that can be developed between our two countries.

[Question] I imagine that you are aware of the Islamic Republic's fixed position toward the war that has been forced on it. Will you raise this subject at all during your meeting in Tehran?

[Answer] We want to put a stop to this war and want to allow for this a clear, candid and elaborate discussion in order that we may play a role in achieving this end and not be mere middlemen.

What we say remains theoretical until the concerned parties provide us with all the details, positions, data and opinions, in the hope that this war will come to an end as soon as possible for the good of Islam and the Muslims.

[Question] How do you assess the foreign orientation of the Islamic revolution, particularly toward the African continent and the shift of Iranian weight from Europe and America to Africa?

[Answer] I believe that the policies of the Shah were foolish and the Islamic Republics openness to Africa no doubt is necessary. The world nowadays is interlocked and the Islamic nation cannot afford to be unresponsive to the policy in Africa and to the role it must play in cooperation with the African countries.

[Question] The question of the Sudanese prisoners was recently raised by the Minister of Foreign Affairs in the Constituent Assembly and the assembly dealt

with it. What is your perception of this subject and will it be raised during your meeting in Tehran?

[Answer] There is no doubt that involving them in the war the way they did was a basic mistake. I believe that the biggest mistake was in the policy of the al-Numayri regime that threw them into this situation. Now that this regime is gone, it is expected that they will be released. However, we are awaiting the assessment of the Islamic Republic's officials because this change in Sudan calls for a reexamination of the prisoners' future, from the angle that this will furnish proof of a desire to establish better relations within the framework of the change in Sudan. I personally believe that the al-Numayri regime created many problems for us with many countries because of its follies and its hostilities and embroiled our citizens in unpleasant situations. Some were embroiled, for example, in the "Falasha" issue and most of those got involved because they were officers or citizens or employees who failed to see the broader horizon and therefore got involved in this crime.

Many Sudanese were embroiled in hostilities and mistakes through the regime's foolish policies. In this framework, I expect that the release of the Sudanese prisoners will have a positive impact in the form of broader and better relations with the Islamic Republic.

12502

CSO: 4504/108

MINISTER OF INDUSTRY COMMENTS ON RELATIONS WITH EGYPT

London AL-MAJALLAH in Arabic 21-27 Jan 87 p 11

[Interview with Mubarak al-Mahdi by 'Abd-al-Latif al-Minawi: "We Have Stopped Famine and Begun to Export Corn"; in Cairo, date not specified]

[Text] Last week the Sudanese Minister of Industry, Mubarak al-Mahdi, visited Cairo to discuss the possibilities of industrial and political cooperation between the two countries. The significance of this visit lies in the fact that Mubarak al-Mahdi, a leader of al-Ummah Party leader, is a confidant of the Sudanese prime minister, al-Sadiq al-Mahdi. Some viewed him in the past pre-election period as the engineer of the relations between Libya and the al-Ummah Party. 'Abd-al-Latif al-Minawi met with him in Cairo to discuss with him political and industrial relations between Egypt and Sudan and the general outlines of the brotherhood pact between the two countries which, it is said, he carries in his briefcase.

[Question] What is your explanation of al-Sadiq al-Mahdi's determination so far not to visit Cairo?

[Answer] There is no determination by al-Sadiq al-Mahdi not to visit Egypt. Al-Mahdi has accepted the invitation he has received and there have been numerous visits between officials in Sudan, led by the president of the State Council and a number of ministers. Al-Sadiq al-Mahdi met with President Husni Mubarak in Addis Ababa at the African summit conference and they discussed Egyptian-Sudanese relations and their future. But the prime minister has had a full schedule and has focused his efforts on the rectification of the internal situation and the study and settlement of problems. On the foreign level, he has concentrated on finding a kind of balance in foreign policy that has a direct impact on economic decisions. Nonetheless, the dialogue with Egypt has been continuous, which means that there is no determination not to visit. Al-Sadiq was planning to visit Cairo even before he became prime minister.

[Question] Al-Sadiq al-Mahdi stated recently that as soon as he is done with his crowded visit schedule, he may put Egypt on it. What in your view is the proper time for the visit?

[Answer] The matter of the prime minister visiting or not visiting Egypt has been overplayed and misinterpreted. We must not forget that the prime minister and the ministers have not stopped visiting Egypt. This means that official relations with Egypt have not been broken and there is a dialogue. Al-Sadiq al-Mahdi met with President Husni Mubarak in Addis Ababa which means that relations are deep-rooted and there is no rift between the two men. Our attitude or that of al-Sadiq toward these relations is more pragmatic than emotional. We have to work through a program so there is no problem in Egyptian-Sudanese relations. Rather, there is a dialogue and there are ongoing contacts. There is in fact a problem in our relations with the Soviet Union and another problem with the international organizations and one in our relations with America as well. We had a problem in our relations with Iran and diplomatic relations had been severed. There is an effort under way at present to take advantage of Sudan's special situation and develop its relations with Iran toward ending the Gulf war and intervening for the sake of sparing Muslim blood. All these issues have been put forward in the political arena before the Sudanese official. If the prime minister has not come to Egypt, this does not mean it is intentional.

[Question] It has been said that you have come to Cairo carrying in your briefcase the general outlines of the brotherhood pact as an alternate format for the integration pact between Egypt and Sudan. What are the features of this new pact?

[Answer] During the transitional period, the integration formula was frozen and the concerned institutions at this level were criticized by both the Sudanese and Egyptian sides. These institutions lacked the popular dimension. They were created by the al-Numayri regime to show political support for him. Sudan wanted these institutions to reexamine the frameworks on which they were established. That is why we put forth the idea of forming official committees, and we formed a partisan secretariat committee to review the integration pacts and the various agreements that have been concluded in order to come out with proposals that help in eliminating the negative aspects and emphasizing the positive ones. This kind of action enriched the dialogue and we hope that efforts will soon result in a draft to be debated by the Sudanese and Egyptian parties whereupon the two government will either approve it or amend it and send it to the constitutional parliaments to become a practical framework regulating relations between the two countries.

[Question] What are the most important ideas you have brought with you?

[Answer] The main idea in the brotherhood pact is that relations should prevent the mistakes of the past and should be based on popular conviction. These relations should emanate from a scientific framework following exhaustive debates by political and popular organizations. This means that relations must be taken out of the bureaucratic and hierarchical framework so that they may be a model for our Arab world to follow.

[Question] Within the scope of your cabinet mission, where does the visit of the Sudanese minister of industry to Egypt fall?

[Answer] In this area, Sudan can benefit from the Egyptian industrial experience and the mistakes it has committed in order to avoid them. There are basic issues around which coordination can take place, among them industrial specifications and standards for agricultural production. There is also the area of raw materials that can be exchanged in addition to numerous other fields and many joint projects in the textile, sugar and food industries that can be set up. Egypt consumes \$600 million worth of edible oil and we in Sudan have great production capacities in this regard. The cultivation of sunflower and soybean has been a success here. The Egyptian industry can acquire oil seeds from Sudan and the Egyptian market can acquire oils from Sudan through joint investments in oil seed growing projects. These are new examples of integration and industrial and agricultural cooperation between Sudan and Egypt.

[Question] Sudan is suffering crises, the most notable of which is hunger and the economic crisis. What has the government done to face this situation?

[Answer] During this season, about 25 million feddans have been planted. Grain and corn production is estimated at 4 million tons and we have actually begun to export from last year's reserve. We have contracted for and exported about 1.5 million tons of corn to Saudi Arabia, Iran and Holland and expect to export to Egypt as well. Moreover, soybean and other oil bean production was abundant and cotton production amounted to 4 million kantars. All this has to reflect on the industrial sector. There were many suspended agreements in the oil and soap sector. In the sixties, we used to import edible oil and fat and now we are making use of our greatest capabilities in the manufacture of oils and will begin exporting edible oils this year.

12502

CSO: 4504/108

FORMER NASC MEMBER LAM AKOL INTERVIEWED

Khartoum HERITAGE in English 26 Jan 87 pp 4, 5

[Interview with Dr Lam Akol, former NASC member]

[Text] HERITAGE: You were a prominent member of the National Alliance for the Salvation of the Sudan (NASC). In that role it was expected that you could have played a greater role in the alliance quest for peace. But suddenly you abandoned the quest for peace in favour of armed struggle. Can you give us a brief account as to why you took such a drastic decision?

Dr Lam Akol: Your question has a number of components. First of all it is true that I was working in the alliance and a founding member too. The alliance from the on-set was formed as an amalgam of political forces which were united by a common cause as expressed in the charter of the National Alliance.

The first objective was to overthrow the Nimeiri Regime and to substitute it with a system acceptable to all, which would bring about solution to the problems facing the country some of which were historical and others the creation of the Nimeiri Regime.

This was why from the very beginning I identified myself with the Alliance as an individual and as a member of the organization that I represented.

In that sense the alliance was not only a body combining all the political forces without a cause but a team committed for the attainment of peace in the country as specified in the charter of the national alliance.

The second point is that it is an irrefutable fact that the downfall of the Nimeiri Regime was brought about by a combination of the mass movements in all the cities of the Sudan together with the armed struggle which was being waged by the SPLA/SPLM.

The third point is that, it is amply known by many people that what happened on April 6, 1985, when Nimeiri's Minister of Defence and his chief of staff took over power, was an abortion of the population uprising which started on March 26.

It was not therefore surprising that from the very start in the Transitional Military Council (TMC) was at variance and divergence from the charter of the National Alliance.

As a consequence to this, the peace process as anticipated or expressed in the National Alliance's Charter did not proceed in the way the Alliance had wanted it to go.

However, despite the TMC's tacit intention to frustrate the efforts of the Alliance for peace process, many members of the Alliance continued to realize the objectives, the suggestions and the proposals which were embodied in the Charter. This struggle went on against the TMC attitude aimed at the escalation of the War in the South.

In the end, sadly to say, the Alliance could not continue as solid as it was at its inception. Some members were swayed by individual interests to deviate from the charter, other withdrew from the Alliance like the DUP and some decided to remain in the Alliance but managed to sabotage all the decisions of the Alliance (like the Umma Party).

And since the decisions are reached in the Alliance by consensus of all the opinions, it was apparent that if one political party disagreed with the majority decision, that decision would not go through.

From this angle you can see that the stages which were anticipated and the good-will expressed by the Alliance to bring about the solution of the problems did not go as expected due to the interference of the TMC.

It was therefore logical and natural for each and every group to evaluate what the role of one as a person or as a group was in the pursuance of the principles and convictions for which one has committed himself.

The conclusion was either one chooses to be silent and see things degenerating or take a positive step in correcting them.

I came to the conclusion that without a politically armed struggle which would impose on the militarists real sense of sitting down seriously to discuss ways and means to bring about peace to the country, there would be no way that peace could be brought about.

As to your assertion that my continuation in the Alliance could have contributed much to the realisation of peace, it presupposes that the SPLA/SPLM is not interested in the peace process.

This is not true because from the very beginning it was abundantly clear that the SPLA was for an all political party conference.

After the fall of Nimeiri and the taking over of power by the Transitional Military Council the SPLA stand became more clear.

It recognized the April uprising as a genuine move to bring about the solution to the country's problems.

But what happened afterward that the TMC took over power in order to protect the interests of the Regime, in which the masses rose to overthrow. That is why today you still have the September laws, other repressive laws and the state security act.

Meanwhile the SPLA-SPLM commitment for peace process was not only expressed theoretically but was expressed in practical terms.

The third occasion was when the Alliance forces and the SPLA/SPLM met in Koka Dam in March 1986, it was a clear indication that the peace process was not only a slogan but something which could be made in concrete terms.

The Koka Dam Declaration that was later signed by all the forces of the Alliance and the SPLA spells out very clearly what the prerequisites needed in order to bring about the necessary change of the atmosphere from that of confrontation to the atmosphere conducive for peace.

All the members in the Alliance were at first committed to the Koka Dam Declaration. But as time went by some political parties in connivance with the TMC started first to disassociate themselves from the Koka Dam despite their earlier commitment and secondly to ignore it altogether.

I was convinced that the only way for the Sudan to reach peace is through the Koka Dam declaration. If so it could not therefore be by-passed.

Before I left the country I also discovered that the Political parties which were jogging for power, the Umma party, the DUP, the Muslim Brothers were not interested in the Koka Dam Declaration.

It became crystal clear that there would be no way in which the declaration could be put into practice by the same political group which were being groomed for power by the TMC and which were insisting to carry out partial elections in the country.

I was therefore convinced that the peace process could not be realized through the means that were being pursued in the country. Hence I decided to join the SPLA/SPLM because first, it is committed to bring about a genuine peace and second peace cannot come from a point of weakness.

Indeed, you see, you have to prove to somebody who has arrogated to himself the right to rule the country through a number of years, that you are equal, and that you are serious to let him come down to earth and speak the sense of peace.

So from this conviction I thought that by joining the SPLA/SPLM I believe my contribution to bring about a peaceful solution to the Sudanese problems could be more positive than if I say idle and see that the Koka Dam Declaration is being dismantled to the detriment of those who want peace to descend on the country.

Question: There is a general feeling that the ongoing war in the Southern Sudan is very expensive in terms of human lives and materials. That there is a need to bring this war to an end. What is your comment on this call for peace?

Answer: You know peace is not only the absence of shooting. Soembody who is hungry and cannot find food to eat or does not know where to get the next meal, is definitely not a peaceful person, because he can die of hunger. If you have no roof under which to put your head you are not a peaceful person, because the rains can come and fall on your head and die. Many people have been dying in the Sudan through poverty.

In the Red Sea Hills for instance, people are dying in hundreds without being discovered because there is no attention given to them.

So the idea of the war being expensive ignores the fact that, war is not the only cause for the lack of peace in our country. The lack of development, ignorance, poverty and all other exploitative factors have been destroyed more lives in the Sudan than Shooting Wars.

This is the point I need to clarify to such people who are under illusion that if the SPLA stops fighting now, there will be peace. They should abandon such an idea because you cannot have peace without justice.

Even assuming that SPLA decides to stop fighting today, still the very problems that are plaguing the country will continue, to the extent that another group will also take up arms to fight to get their rights.

The 17 year war stopped in 1972 for a while because the solutions did not address themselves to the problems. It only solved the power structure in the south and ignored the most important aspect i.e. development. All people must reach a consensus, in order to reach peace agreement. As long as there are those who are exploiting others, as long as there is religious bigotry, as long as the nationalities question has not been solved to the satisfaction of all, there can be no peace.

We can pretend to have achieved peace if the sound of gun stops. But it will still erupt. So we cannot say taht the war is expensive without being prepared to go all the way towards achieving peace in the right manner.

If we want to achieve peace, then, those people who think that it is their given right to rule must stop believing that ruling is their preserve.

Question: At present the Prime Minister is very explicit in his quest for peace and desire to bring about peace to the country. The SPLA/SPLM is expected to respond to the Prime Minister's peace innitiative. What is your answer?

Answer: If the Prime Minister is genuine about peace, he should then implement the Koka Dam declaration of which his party is signatory to. Koka Dam does not belong to the SPLA/SPLM alone or the Umma party. It is the property of all those who spent days discussing it's items and resolved them. What is left to him is only to implement it. If he is genuine he should respect what has been agreed by all. This actually makes people doubt his credibility which is bad for a leader.

Question: Sudan is known for being an Arab and Islamic country and your Movement aims at the creation of a new Sudan free of Arabism and Islam. Don't you think that it is going to be a difficult affair?

Answer: The concept that the SPLM is a threat to Islam or Arabism has been on since it was formed in 1983. Some people who are opposed to our cause have been going about propagating maliciously and telling everybody that SPLM/SPLA is against Arabism and Islam.

We have made it clear many times that is not true. What we are saying is that Sudan is a multi-racial and multi-religious society. That any type of government in power should base its policies on this understanding.

SPLM cannot possibly wipe out all the various nationalities or religions in this country let alone Islam and Arabism.

Islam is a religion professed by many Sudanese. Others profess Christianity. All of them should be integrated into one Sudanese Nation.

No one shall be allowed to wipe out the others. All the talks about majority and minority is a long chain of idle talk. You say majority of the Sudanese are Muslims and the minority Christians, therefore the majority Muslims must rule the minority Christians.

Like wise, majority women must rule the minority men and majority Africans must rule the minority Arabs. This is narrowness. It cannot be allowed to continue because it will not solve our chronic problems. Only consensus opinion can make us arrive at a safe conclusion.

Question: There has been a general talk that the SPLA/SPLM is a one Man's show. Do you agree to this assertion?

Answer: If the SPLM was a one-man's show it would have not achieved what it has achieved so far. In a matter of three years, the SPLA has asserted its grip on the Sudan. It now controls about ninety percent of the area of war zone number one. Even now the Sudan government's propaganda media is not talking of SPLA as a one man's show but many-men show.

Question: It was claimed recently that you had differed with Dr John Garang on matters of general policies, which led to your arrest. What was your reaction when you received this news?

Answer: I pooh-poohed it because it was not a surprise. So many leaders who pose threats to entrenched dictatorships have been claimed to have died and risen. So I just went on with my revolutionary work without paying the slightest attention to this malicious and distractive propaganda.

Answer: What type of the system of government do you believe would alleviate the vast problems currently facing the Sudan?

Answer: We in the SPLM/SPLA have not been vague about the Sudan we want to build. The Sudan, as you know, has three basic problems namely, the question of nationalities, the question of religions and the question of development.

If these three are resolved, then, how to rule the Sudan and on what basis will be an easy affair. We believe that the system of government to be adopted should not be used by anyone as a means to come to power. Development must be of such a nature that it will be fairly distributed so as to prevent Rural influx into cities of job seekers and to avoid having to use "Kasha" to get the people back to their places of origin.

A new Sudan where religion is an individual affair not a state affair. A Sudan where various cultures are promoted, honoured and encouraged. Languages being used only as means of communication; and not used to mean that one language is superior than the rest. We want a Sudan where people are all equal.

Question: Your movement has all along been appealing mainly to workers and the oppressed, this has made some people to accuse your movement as being Marxist, what are your comments?

Answer: If you read all the SPLA/SPLM literature you will find that it is appealing to those groups.

Most of the SPLA members come from these ranks. SPLA/SPLM is a socialist movement. All Marxists are Socialists but not all socialists are Marxists. We are a National Socialist Democratic Movement.

As you know, we have never turned away any person because of his privileged background or political conviction. We accept everyone into our ranks.

Question: Where does the SPLM/SPLA differ with the other socialists like the Communists?

Answer: If you want to compare the two you have to compare their Programmes the Communists is a party and ours is a front which has abroad based out look. To be a communist you must be a Marxist and we don't have that condition in the Sudan at the moment.

Question: We hear the SPLA claim that they want to liberate the Sudan. The Northerner asks from what? The Southerners are very skeptical about this claim. What message would you tell the Sudanese in this respect?

Answer: Both opinions are wrong. The SPLA will not liberate the Sudan from it's chronic problems including the freedom to express oneself and from religious bigotry. We are not even for liberating the South because this is on inferiority complex developed soon after independence. It is a fact that the problems of the Sudan cannot be solved through separatism. The SPLM/SPLA therefore addressed itself to the solutions of the pending problems at the national level,

/9274

CSO: 4500/62

DEVELOPMENT PLANS FOR KURDISH PROVINCES

Baghdad THE BAGHDAD OBSERVER in English 22 Jan 87 p 2

[Text]

A comprehensive development plan has been underway in the Kurdish Autonomy Region despite the war imposed by the Iranian regime on Iraq.

Annual reports submitted to the Executive Council of the Autonomy region by the Secretariats indicated that the Works and Housing Secretariat completed 13 service, education, health and sports projects at the cost of ID 11.559 million.

These projects included the establishment of 108 housing apartments, a swimming pool, a library and an Islamic institute in Suleimaniya and another one in Duhok.

The Municipalities and Resorts Secretariat completed 173 service and tourist projects in various parts of the region at the cost of ID 8 million. These projects included building ten tourist houses in the Saladdin resort, paving streets in Shaqlawa and Duhok, a sewage network in Zakho and a

number of car parks in Suleimaniya.

The Social Affairs Secretariat held a number of conferences for employees of the health, works and social care sectors to identify best ways of rendering services to the people there. The Secretariat opened a number of health centres in the provinces of the region in addition to two nursing secondary schools in Arbil and Suleimaniya.

A report submitted by the Culture and Youth Secretariat pointed out that more than 40 books were published while speeches of President Saddam Hussein on various occasions were also compiled.

The Agriculture and Agrarian Reform Secretariat said in its report that the total area of the agricultural land of the region reached 2,880,885 donums, which represents a significant increase. The Secretariat marketed 153,604 tons of grain, 115,396 tons of barley. An area of 85,013 donums was planted with eastern and

French tobacco. The Secretariat organised training courses for 368 farmers in the region.

The Internal Affairs Secretariat pointed out to a number of projects carried out in the region. Some 368 schools and kindergartens were maintained while 994 teachers (male and female) were appointed.

The Secretariat is going ahead in implementing 33 primary schools in Duhok in addition to other state buildings in other provinces.

The Economic and Financial Affairs Secretariat completed the balance sheets of the Autonomy Secretariats and prepared the periodical and annual reports on the activities of the Secretariat.

The Education Secretariat opened 13 primary schools and 17 intermediate and secondary schools while 177 teachers from various specialisations were appointed.

The Secretariat's report indicated that 3,983 illiterates were enrolled in literacy centres last year.

/12828

CSO: 4400/147

AGRICULTURAL DEVELOPMENT PLANS IN AL-ANBAR PROVINCE

Baghdad THE BAGHDAD OBSERVER in English 28 Jan 87 p 6

[Article by Y. P. Youkhanna]

[Text]

Anbar, the largest of Iraq's 18 provinces (137,723 Sq.M), now has the necessary infrastructure to make it a producer of bumper crops.

The whole land of the province is almost a desert except along the banks of the Euphrates River which flows down from the Syrian border down towards Baghdad through Ramadi city, the main administrative district.

Most of the year the sky is clear and the sun scorching. In ten years of weather records, the lowest annual rainfall was 59 mm (in 1978) and the highest 144.3 mm (in 1976). In summer the normal temperature rises to 39 degrees C and in winter it drops to 7.3 C.

But one may ask how this arid province could be a prosperous area for farmers? The land is criss-crossed by *wadis*, beds of streams hewn by centuries of torrential winter rains. When it rains, it pours, and the *wadis* are filled with water. The land instantly turns

into a varicoloured carpet of wild flowers, herbage and plants. The goats, sheep, camels and horses fill their bellies grazing and drinking the water in *wadis*. This period of plenty normally lasts about two months and quickly the land turns into dry patches of land covered with dead plants and dry bushes.

The agricultural potential of Anbar Province was long recognised by the government. In the province there are 14 cities, towns and villages situated along the Euphrates River down from the Syrian border to Ramadi city. The most famous of the cities and towns are Ana (the longest inhabited city in Iraq), Haditha and Hit. These cities, towns and villages two decades ago, were sparsely populated but the population has multiplied

since. In 1985, the province's estimated population was 582,058 (Ministry of Planning statistics). Farmers used to cultivate small patches of land irrigated by ancient picturesque waterwheels.

The government since 1968 has spent millions of dinars to develop the province. First priority was given to public services of which the province had the least two decades ago.

In 1968 the province had only 193 km of paved roads but in 1985 there was a 2,654 km-long network of paved roads and highways and in 1986 more roads were built. The whole province is now electrified and has an adequate number of telephones.

638 schools have been built since 1968 and 344 new class-rooms have been added to older schools. Many hospitals and health centres have been built and manned by physicians and other

medical personnel. In 1985 the province had 11 hospitals with 825 beds and this number increased to 1567 beds in 1986 when two large hospitals were completed.

The province has a number of major industries such as the phosphate, cement, gypsum and tile plants and a large glassworks in Ramadi city.

A modern fast railway line passes through the province to Baghdad. There is also a modern highway from Baghdad up to Jordan through Rutba.

The construction boom resulted in the building of 54 hotels in the province. In 1984, these hotels had 95,982 guests, including 2,445 foreigners, 39,841 Arabs and 53,696 Iraqis. The hotels employed 910 permanent and

temporary personnel.

Beside the public service projects, the government has spent millions of dinars on agricultural and irrigation projects. The main projects that would turn the province into a fertile land are the Great Qadisiya Dam and the Rutba dam. Long irriga-

tion channels stretch out from the the dam's water reservoir to farm lands. The Ministry of Irrigation has cleaned up the beds of *wadis* and built a number of earthen dams to hold the rain waters for longer periods both for irrigation and for animals to drink.

With the improvement in grazing lands and water resources, the livestock in the province must by now have doubled. In a survey by the Ministry of Planning carried out in 1987, the province had 2,137 camels, 2,353 horses, 11,152 buffaloes, 64,448 cattle and 36,381 goats.

Farming is steadily growing. During the past two years the province has been the major supplier to the country of potatoes, onions and mushrooms. With the year-round irrigation now increasing more land is coming under the farmer's plough.

The wide stretches of land reclaimed, round-the-year irrigation, and the demand for agriculture produce, indicate a big future for Anbar Province.

TRANSPORTATION, COMMUNICATION STATISTICS FOR 1986

Baghdad THE BAGHDAD OBSERVER in English 28 Jan 87 p 2

[Article by Rushdi Sabbar]

[Text]

The transport and communications sector in 1986 achieved success in providing efficient and comfortable means of transportation on land, in sea, or in the air, officials in the Ministry of Transport and Communications affirmed.

In telephone and telegraph services, modern electronic telephone exchanges with large numbers of telephone lines were installed in 1986, namely in Kufa with a capacity of 10,000 telephone lines and in Al-Dawasa, Mosul with a capacity of 30,000 lines.

914,602 telephones sets were installed in 1986. This constitutes 3.2 per cent increase in the number of telephone sets compared to the figure of 1985.

Modern microwave systems were also installed to connect the telephone exchanges between Iraqi provinces.

Post services also witnessed considerable change in letters distribution and other facilities. The average of letters distributed during 1986 reached a total of 336650 letters daily.

In order to establish quick mail services, the Post, Telephone, and Telegraph Authority introduced new means such as the electronic post between Iraqi provinces and the express post delivery between Iraq and other countries.

Furthermore, the number of those covered by the telex services increased from 2187 in 1985 to 3147 in 1986.

The sea and river transportation gained much attention in recent years in large shipments and other facilities. During 1986, a new river quay was opened in Kut to help barges and tugboats ferry goods up and down the river Tigris.

The Land Transport Department services improved greatly in the number of coaches and trucks that carry vegetables and fruits.

The number of passengers that were ferried during 1986 reached 4 million. The Departments' buses in Baghdad provided services for some 212 million in 1986 alone.

Many railway projects were constructed in 1986. These projects will have a significant impact on the overall development of the country. The Baghdad-Qaim-Ukashat railway line was one of these projects.

The Ministry's officials said that efforts were intensified to back the war effort by mobilizing all capabilities.

Frontline post offices were opened, where free-of-charge mail is collected and delivered.

AL-MASRI ON ICO SUMMIT, PLO, OTHER ISSUES

JN251339 Kuwait AL-ANBA' in Arabic 23 Jan 87 p 5

[Interview with Jordanian Foreign Minister Tahir al-Masri by AL-ANBA' correspondent Bibi al-Marzuq in Kuwait--date not given]

[Text] [Al-Marzuq] The Palestine question is one of the most important issues to be presented at the Islamic summit conference. Will Jordan coordinate within the summit conference to reach a resolution calling for solving the Palestine question through an international conference?

[Al-Masri] Jordan's policy toward the Palestine question is known and falls within the context of the Arab orientation. As for the international conference, there is a draft resolution on the convocation of an international conference to solve the Palestine question which we believe will be approved. I do not believe there is a disagreement among the ICO members on this issue.

Moreover, the concept of an international conference enjoys almost complete support of all countries of the world, even the European countries and the pro-U.S. countries which maintain close relations with Israel.

The Islamic summit will certainly adopt a resolution supporting the convocation of the international conference. This will further the Arab effort in general and the Jordanian effort in particular to boost and entrench the idea of an international conference. There are only one or two countries that do not agree to that. They are the United States and Israel. The United States still insists on rejecting the conference. I believe Murphy's recent statements confirm this.

[Al-Marzuq] Are there undeclared results of Murphy's recent tour which included Jordan?

[Al-Masri] There are no undeclared results. Murphy came to the region in an attempt to explore viewpoints on any fresh developments or ideas. The Jordanian stand is unchanged. We still call for an international conference, recognize the PLO as the sole legitimate representative [of the Palestinian people], and believe in the need to reach a peaceful solution as soon as possible with the participation of all parties.

When the U.S. stand on the international conference changes, it would be possible to say that there are fresh developments. Murphy has so far presented no new ideas and we on our part did not change our stand.

[Al-Marzuq] An estrangement has occurred between the Jordanian and the Palestinian viewpoints. Will King Husayn bring viewpoints closer during the Islamic summit conference, especially since Egypt is seeking to achieve this?

[Al-Masri] There is no disagreement between Jordan and the PLO on the Palestine question. This is not our point of disagreement. It is rather on some requirements for the PLO's participation in the international conference. From a certain angle, this is a political disagreement.

If this disagreement ends, there is no disagreement between us and the PLO on the subject of coordination.

We constantly reiterate on all levels that Jordan has no problem with the PLO and the Palestinian people. On the contrary, we are the closest people to the Palestinian people and we recognize the PLO as the sole, legitimate representative of the Palestinian people.

[Al-Marzuq] Jordan, through King Husayn supports Iraq in the Gulf war. King Husayn called for forming the al-Yarmuk army to take part in the fighting alongside Iraq if the balance of power changes in favor of Iran. What is Jordan's stand?

[Al-Masri] We have frequently announced that all the Jordanian potential is at the disposal of Iraq. It is up to Iraqi President Saddam Husayn to decide when to use this potential. This is our opinion and stand. However, God be praised, the situation on the front is good and solid. Our Iraqi brothers did not ask for anything.

[Al-Marzuq] Some have interpreted the Jordanian-Palestinian estrangement as being the price of the Jordanian-Syrian rapprochement. Is this correct?

[Al-Masri] This is not our approach of action. Our relationship with Syria is necessary and essential. It is a good relationship, God be praised. I reiterate that Jordan and King Husayn do not act according to this method. All what is being said is only interpretations.

[Al-Marzuq] Will Jordan act to remove the disagreement between Iraqi President Saddam Husayn and Syrian President Hafiz al-Asad, especially as Jordan has distinctive and good relations with the two sides?

[Al-Masri] I cannot predict that, but we sincerely pray to God that this would be achieved, especially since Jordan and King Husayn have exerted unsuccessful efforts in this regard.

/9274

CSO; 4400/146

DUDIN DISCUSSES WEST BANK DEVELOPMENT PROGRAM

JN252101 Amman Domestic Service in Arabic 1900 GMT 25 Jan 87

[Text] Amman--Occupied Territories Affairs Minister Marwan Dudin has said that on His Majesty King Husayn's instructions in the wake of the conclusion of the Jordanian development conference meetings held in Amman from 8-10 November--a conference which was chaired by His Highness Crown Prince Hasan--the prime minister decided to form a sub-committee, which stems from the higher committee for occupied territory affairs, to be chaired by the deputy prime minister.

In a press conference held at the Ministry of Occupied Territories Affairs this evening, Dudin added that the sub-committee was entrusted with the laying down of practical bases for the procedures to implement the economic and social development program for the occupied territories. He pointed out that the sub-committee held intensive, continued meetings during which it discussed the Jordanian experience in supporting the kinfolk's steadfastness since the [Israeli] occupation in view of the extraordinary circumstances and situation resulting from the restraints being imposed on them by the occupation authorities.

The minister explained that the sub-committee held a meeting under the prime minister this morning during which it reviewed the detailed reports it had prepared and adopted a number of decisions. Among those decisions were approving the final formula for the procedures to implement the economic and social development program for the occupied territories and approving the urgent projects which have completed all of the necessary steps in order to invite tenders to implement these projects.

The minister said the sub-committee also reviewed ways to make expenditures which might emerge during the implementation of the development program apart from the articles included in this program. The sub-committee decided that each of these ways should be studied separately and should also be promptly decided in light of the availability of funding.

He asserted that while insisting on turning its support for the kinfolk's steadfastness in the occupied territories--despite all difficulties--into actual developmental expenditures, the Jordanian Government deeply realizes that this aspired steadfastness is not in itself an aim but a means to enable

the Palestinian Arab people to preserve their identity vis-a-vis attempts by the occupation authorities to obliterate this identity. He also noted that the aim which Jordan has not ceased to achieve has always been the liberation of the land and the attainment of [Israeli] withdrawal from all occupied Arab territories, headed by Jerusalem, within the framework of UN Security Council Resolutions 242 and 338 and within the context of international participation to a conference to be attended, in addition to all parties concerned including the PLO, by the five permanent UN Security Council member states.

The minister asserted that within this framework the Jordanian development program for the occupied territories cannot be an alternative to comprehensive withdrawal from the West Bank and Gaza Strip or to the attainment of a just, durable peace in the region.

Replying to a question by the Jordanian News Agency about the mechanism to implement the development program in the occupied territories, the minister said: The occupied territories have been divided into nine [as heard] developmental areas which are Jerusalem, Janin, Nabulus, Tulkarm, Qalqilyah, Ramallah, Jericho, Bethlehem, Hebron, and Gaza.

/9274

CSO: 4400/146

BRIEFS

SENATE MEMBER DIES—Amman—With much sorrow and grief, the Senate president announces the death of [Senate member] Shaykh Muhammad 'Awdah Abu Tayih, who passed away Wednesday morning. [Excerpt] [Amman AL-RA'Y in Arabic 15 Jan 87 p 1 JN] /9274

AMBASSADORS PRESENT CREDENTIALS—Six new ambassadors to Jordan on Wednesday present their credentials to His Royal Highness Crown Prince Hasan, the Regent, at ceremonies held at the Royal Court. The new ambassadors are Mohammad Fadal Ould Al Dah of Mauritania, Mr Todor Cuman of Romania, Lars Lomback of Sweden, Romaro Balon on Uruguay, Lieutenant General Hussein Sayyed of Pakistan and Mr Ibrahim 'Ali Ibrahim of Bahrain. The presentation ceremonies were attended by Chief Chamberlain Prince Ra'd ibn Zayd, Acting Foreign Minister Dhuqan al-Hindawi and Dr Bassam al-Sakit, secretary general of the Royal Hashemite Court. [Text] [Amman JORDAN TIMES in English 15 Jan 87 p 1 JN] /9274

NEW POLISH ENVOY—Amman (PETRA)—Foreign Minister Tahir al-Masri yesterday received new Polish Ambassador to Jordan (Fredrik Panshish), who presented a copy of his credentials. [Summary] [Amman AL-DUSTUR in Arabic 10 Feb 87 p 3 JN] /9274

CSO: 4400/146

MINISTER SEES SUMMIT AS CHANCE TO SOLVE ARAB, ISLAMIC PROBLEMS

Kuwait AL-RA'Y AL-'AMM in Arabic 23 Jan 87 p 4

[Interview with Kuwaiti Minister of State for Municipal Affairs Engr 'Abd-al-Rahman Khalid al-Ghanim: "Kuwait's Even-handed Policy Line Has Gained It the World's Trust;" date and place not specified]

[Text] Minister of State for Municipal Affairs Engr 'Abd-al-Rahman Khalid al-Ghanim, referring to the events taking place near Kuwait and its neighbors, described the circumstances under which the fifth Islamic summit conference will meet as extremely serious in the political, economic and military senses. However, he expressed his belief that the conference would be successful, because of Kuwait's even-handed, balanced political line characterized by wisdom and objectivity, and said that the presence in Kuwait of so many leaders and presidents will have a historic impact on the conference and its resolutions. He said that the war between Iran and Iraq has reached such a pitch that it heralds certain danger for all mankind, and called on Iran to accept the peace initiatives offered by the Islamic states. The minister warned of the seriousness of Israeli penetration into Africa and revealed Israel's exploitative attempts there to defame the Arabs. He expressed hopes that the Islamic summit conference would succeed in alerting people to what Zionism is doing, as well as endorse the principles of Islamic solidarity. Speaking of the Palestinian cause, he said that it has reached a very sad state because of the fragmentation of Arab and Islamic forces and the aggravation of disagreements in our Arab world, which has led to further fragmentation. He gave his views on how this problem could be solved through Arab solidarity and unanimity, the elimination of disagreements, and through demands that the United Nations and the Security Council take appropriate, effective measures to force the enemy to comply with international resolutions.

Minister al-Ghanim spoke to AL-RA'Y AL-'AMM in detail about his hopes that the Islamic summit conference will issue successful, useful resolutions for restoring the Islamic world's prestige and solidarity. The text of the interview follows.

[Question] In January Kuwait will be hosting the largest Islamic gathering, the summit conference, which will include the leaders, presidents and kings of Islamic countries. Since Kuwait has a reputation for even-handedness, and enjoys excellent relations with countries all over the world, we feel that this conference will issue many serious resolutions, and can be expected to find suitable solutions and cures for many of the problems besetting our Arab and Islamic world.

In your opinion, will Kuwait's pre-eminent and politically even-handed role influence these resolutions? What are your expectations as to the strength and effectiveness of the resolutions it will issue? Do you think that the presence in Kuwait of such an imposing number of leaders, presidents and kings will have a historic impact on this meeting? What are your expectations as to the future of the resolutions which might be issued by this meeting, and their effect on solving the problems we mentioned before?

Extremely Serious Events

[Answer] To start with, I would like to praise the efforts being made on all levels to celebrate this great occasion and to bring out Kuwait's best face. As for the role of the information media and the press in covering this important event, it makes me very happy to thank you for all your efforts, and to express gratitude for the efforts made by all the other official and popular organizations and by the citizens. To answer your question, let me mention two basic points.

First of all, the fifth Islamic summit conference is being held under circumstances which are extremely serious in the political, economic and military contexts. The events going on around us are rapid, constantly changing, and involve bodily danger, and we must be aware of them and arm ourselves with unity and understanding. If we look at the situation in our Arab and Islamic world, it becomes quite clear to us just how fragmented this vital part of the world is. The Iraq-Iran war is undergoing a dangerous escalation which threatens the entire region, not to mention the whole world. The Palestinian cause is passing through its most critical stage, since the Zionist enemy is exploiting the disunity and fragmentation of the Palestinians and of our Arab and Islamic world to achieve its colonialist ends and to expand its influence among the countries of Africa. There are other political incidents, such as the fighting in Lebanon, and economic events, such as the oil war. These are the circumstances surrounding the fifth Islamic summit conference which will meet in Kuwait on 16 January 1987.

Secondly, Kuwait has always followed an even-handed political line characterized by judiciousness, objectivity, and support for Arab and Islamic issues and the causes of freedom, justice and equality. This political program has become a prime feature of Kuwait's Gulf, Arab, Islamic and international policy, and has won Kuwait the trust and respect of the entire world. In light of these two points, Kuwait has made its preparations for this large gathering of kings, presidents and leaders of Islamic countries. Most important has been Kuwait's expeditious efforts to create suitable circumstances so as

to guarantee this conference's success. Kuwait has made serious, pointed efforts to bring together all the Arab forces and resources to participate in the conference with a new spirit and a new determination which will restore life to the Arab and Islamic body politic and will guarantee sufficient understanding, coordination and cooperation to ensure that the conference's resolutions will be effective and influential. In this, Kuwait has been aided by its basic social accord and its excellent relations with the world's countries. Therefore, the conference's resolutions can be expected to be forceful, effective and easily implemented. God willing, the great expectations of this conference will be realized in such a way as to help solve many of the problems facing our Arab and Islamic world. The letters exchanged between the Amir of Kuwait and the leaders, kings and presidents of the countries taking part in the conference will no doubt bear fruit and contribute to overcoming all the difficulties facing our Arab and Islamic causes.

Actually, the presence in Kuwait of such a huge number of leaders, presidents and kings will have a historic impact on the conference and its resolutions. The bilateral meetings among these leaders, under the auspices of His Highness the Amir, will effectively achieve what the people of the Islamic nation expect from this conference, and will contribute to such positive results as achieving the aspirations of the people, patching up Arab and Islamic conflicts, reuniting the ranks in the Arab and Islamic worlds, and solving problems in a spirit of Islamic brotherhood.

The Gulf War and the Peace Initiatives

[Question] Now that many threads have been revealed, the most important being America's provision of arms to Iran and the Zionist entity's open stand on military support for Iran, we all realize that the Gulf war has become a world war. What do you think will be the outcome of this war, and what working papers might be presented at the conference so as to find an appropriate solution for the war?

[Answer] The Iraq-Iran war, which has gone on for years now, has escalated dangerously, thus threatening the entire region, not to mention world security and peace. Even though this fierce war has been going on for so long, and in spite of the efforts being made by Kuwait and other Arab and Islamic countries, there still isn't a glimmer of hope for a peaceful end to this war, the continuation of which benefits only the Zionist enemy, the other colonialist countries, and the arms dealers.

Over the past few years, this war has reached the point where it poses certain danger to mankind. It has mowed down human resources senselessly and has caused physical damage to the economies of both Muslim countries, without having achieved anything except further destruction of both countries' economies.

In my opinion, the Iraq-Iran war will get the full attention of the fifth Islamic summit conference, and the participating countries will present working papers on how to solve this enormous problem. We all hope that this

Islamic gathering will provide a good opportunity for peacefully ending this horrible war, in such a way as to preserve the sovereignty, dignity and territorial integrity of the two Muslim neighbors. We also hope that the Iranian officials will accept the peace initiatives which the Islamic states will present, and that they will seize the opportunity of this conference, and the presence of this large gathering of Islamic leaders, kings and presidents, to establish peace throughout the region and halt this exhausting, tragic war in the interest of Iraq, Iran, all the area's countries, and the entire world.

Kuwait and Brotherhood

[Question] Is there any cooperation between your ministry and your counterparts in other Islamic countries? How do you think this cooperation can be expanded and deepened?

[Answer] Cooperation exists between Kuwait Municipality and its counterparts in some Islamic countries. Kuwait has signed brotherhood charters with several other cities, and other Arab cities have expressed their desire to become Kuwait's brother city. What I mean here by brotherhood is a common desire between one city and another to consolidate direct cooperation between them, whereby each city gives the other a privileged position, thus symbolizing the spirit of love and affection which prevails in the relationship between two brothers.

At present, Kuwait is a brother city to the West Bank cities of Nablus, Halhul and Ya'bud, Jiddah in Saudi Arabia, and Izmir in Turkey, in implementation of the cabinet's decision in this regard.

Considering the historic and international standing and exalted position which Jerusalem occupies in the hearts of all Arabs and Muslims, especially in Kuwait, and considering the Kuwait people's esteem, love and respect for Jerusalem and its inhabitants, and in order to strengthen the firm religious, brotherly and historic ties linking Kuwait and Jerusalem, a brother city charter will be signed this month between Kuwait and Jerusalem.

Furthermore, there are direct contacts between Kuwait Municipality and municipalities in Korea, Turkey, Japan, the Soviet Union, France and elsewhere, for the purpose of obtaining information about municipal concerns such as sanitation, ways of educating the citizens, disposal of scrap metal, the use of garbage to produce organic fertilizer, and other such matters, so as to keep up with the latest world developments in municipal affairs.

The Municipality's Beautification of Kuwait

[Question] On this great occasion, everyone must work to make Kuwait look its best. What will your ministry be doing in this regard?

[Answer] To start with, I would like to point out that all the municipal departments and agencies are fully prepared for the opening of the fifth Islamic summit conference on 16 January. We started getting ready for this

conference a long time ago, just like the other state ministries involved in the conference activities. Working with other government agencies, the municipality has beautified the main districts and streets of Kuwait City. Many flower beds have been planted, sidewalks have been repaved, and the ministry has taken part in the on-going tree-planting operations. Kuwait Municipality has also given priority to sanitation, particularly picking up and removing rubbish and trash on a continual basis, and has been leveling existing open areas. Kuwait Municipality is also working with the Information Ministry in putting up appropriate decorations to make Kuwait City look its best. The municipality is also directly responsible for feeding and looking after the delegates during the conference.

We would like to take this opportunity to remind the citizens and residents to observe the "Keep Kuwait Clean" slogan, so that Kuwait will be clean and beautiful for the guests and the surroundings will be more attractive. All of us, citizens and residents alike, must be eager to show just how developed Kuwait is.

The Economy and Political Decision-Making

[Question] Our Arab and Islamic world suffers from many economic problems. Could you give us some ideas as to what threads the conference might pursue in order to put an end to such problems?

[Answer] Naturally, the economy is an extremely important matter, and has become even more so in our time, to the point where political decision-making quite often depends on economic considerations. As you know, many times political stands are taken under pressure from economic problems. Therefore, it has become a given in today's world that independent political decision-making requires, as a starting point, economic independence or might, so as to ensure that the decision-making process will be independent in the face of political pressure. Furthermore, the world's population is constantly growing, its problems are becoming increasingly complex, and more and more money is being spent on arms and on development, in addition to the fact that the resources themselves are running out as the population and the expenditures increase. Faced with these and other considerations, we see the emergence of economic blocs and an increase in trade, economic and financial agreements. Herein lies the importance of the question you raised. Our Arab and Islamic world's stand is that we have the diverse natural resources, the vast labor forces, and the markets for our products--in short, everything we need--to become an economic bloc capable of influencing the course of international policy, or at least capable of protecting our people's rights, gains and interests and improving their standard of living. I believe that the concepts of achieving economic integration among Arab and Islamic countries, creating investment opportunities, protecting capital, opening up new markets for products, and increasing trade exchange are valid, recognized concepts, the adoption of which would be in the interest of the peoples and nations of the Arab-Islamic world.

Africa and Zionism

[Question] Since most of the Arab leaders will be participating in the summit, what must we as an Arab nation do about Zionist penetration into Africa and its resumption of diplomatic relations with some African countries?

[Answer] As an Arab state, we must halt Zionist penetration into Africa in whatever form it takes--economic penetration, military penetration, or penetration through aid and the export of technical expertise. Of course, Israel has its own goals and interests, which coincide with the interests, goals and policy of colonialism, especially since Israel wants to break the hold of the Arab economic boycott and open up new markets for itself, in addition to challenging Arab propaganda and preventing the establishment of excellent Arab-African relations.

Israel has tried to besmirch the Arabs' reputation in Africa, and has exploited the rise in oil prices which is directly affecting development plans in several African countries. Israel is spreading the rumor that the Arabs are the main reason development operations have stopped in Third World countries.

Therefore, the opportunity provided by the fifth Islamic summit conference and the presence of such a large gathering of kings, presidents and leaders of the Islamic world must be seized, so as to increase Arab-African solidarity. The Arab states must also throw their full material, cultural and media weight into winning over those African countries which are in distressing economic circumstances, from which they can be liberated only by carrying out their development plans. Unless they are aware that the Arab states want to help them, such economic circumstances might give them an excuse for establishing relations with Israel. Such help can be provided through the Arab-African Fund and other economic organizations which will help strengthen the economies of the African countries.

Palestine Is the Arabs' Greatest Concern

[Question] The Palestinian cause has reached a very critical stage because of the fragmentation of Arab and Islamic might, a situation which our enemy has exploited in order to hold on to the land and expand further. In your opinion, what suggestions might be put to our Arab leaders on this occasion, so that they can act before it is too late?

[Answer] The Palestinian cause has reached an unfortunate state, due primarily to the disagreements dividing our Arab world, the Iraq-Iran war, and other well-known factors. Many suggestions might be made regarding this foremost Arab cause, the most important of which might perhaps be to unify the Arabs and eliminate the differences among them, because without Arab solidarity and unity of ranks, the Zionist enemy will get a tighter grip on the occupied Arab territories. Naturally, we know that its ambitions on our region are unbounded, and therefore it is essential to make a concerted effort to liberate Jerusalem, regain the Arab territories, and call on all the Islamic countries to support and back up the Palestinian people so that they can

regain their legitimate rights and their usurped land. There must be an Israeli withdrawal from all the Arab territories occupied in the June 1967 aggression. It is also essential to support the insurgent Palestinians in the occupied territories and help them stand firm and continue their revolution, so that the Zionist enemy will not be able to plant its feet in our occupied Arab territories.

The United Nations and the Security Council can also be asked to adopt the appropriate measures to force Israel to comply with the resolutions which have been issued, to observe the principle of not taking over land by force, and to withdraw from the occupied territories. It is also important to alert the African countries participating in the conference to the dangers of the racist Zionist movement and the perils of its hostile, expansionist policy, because this step would ensure the end of Zionist penetration into Africa under whatever slogan.

8559

CSO: 4404/221

IRAQ SUPPLYING ARMS TO PHALANGE, 'ARAFAT FOLLOWERS

Tehran KAYHAN AL-'ARABI in Arabic 17 Jan 87 p 1

[Article: "Hubayqah: Baghdad Supplying Free Arms to Phalange and 'Arafat Followers in Lebanon"]

[Text] The former commander of the Phalange forces (Elie Hubayqah) disclosed that the Phalange forces are receiving free arms from the Iraqi regime and that half of these arms are being delivered to the pro-'Arafat group to escalate the fighting in Lebanon. Speaking on the anniversary of the rebellion Samir Ja'ja' staged against him, Hubayqah said that Christian officials in Lebanon and the Phalange forces believe that Israeli weapons carry a very high price and, therefore, they have concluded an agreement with the Iraqi regime to supply the Phalange forces with arms and munitions free of charge. He also said that Karim Baqraduni, the deputy commander of the Phalange forces, met 7 months ago in Paris with an 'Arafat representative and Iraqi officials and the two sides agreed that the Iraqi regime would supply the Phalange with the weapons it needed free of charge, provided that the latter delivered half of these arms to the pro-'Arafat group to escalate the fighting in Lebanon.

Hubayqah emphasized that Iraqi weapons have been arriving openly at the Port of Juniyah in East Beirut since the conclusion of the said agreement and disclosed that the Phalange regime is granting Lebanese passports to pro-'Arafat forces.

He added that the pro-'Arafat forces, upon entering Lebanese territory via East Beirut ports, are accommodated at Lebanese Forces (Phalange) camps, then moved to West Beirut.

Hubayqah also said that official Iraqi military intervention against Lebanon is aimed at striking a blow to the Syrian presence in Lebanon.

12502

CSO: 4404/215

SHAYKH SHAMS-AL-DIN INTERVIEWED

Tehran KAYHAN AL-'ARABI in Arabic 10 Jan 87 p 10

[Interview with Shaykh Muhammad Mahdi Shams-al-Din by Samir Arshadi: "'Arafat Directs His Battle From Baghdad Which is Adequate Proof of The Identity of the Camps War"; date and place not specified]

[Text] When you meet him, you feel you are in the vastness of erudition, knowledge and Holy War, and when you talk to him, you feel you are in the company of one of the stars of contemporary Islamic thought.

The most erudite Shaykh Muhammad Mahdi Shams-al-Din, vice-chairman of the Supreme Shiite Council, that towering personality standing tall in Lebanon calling for Holy War and resistance, speaks calmly from a position of higher responsibility, his words flowing with sadness and pain while conveying the picture of oppression in Lebanon and thundering forcefully while speaking of the Holy War against the Zionist entity and its cohorts.

KAYHAN AL-'ARABI met with him during his participation in the conference for the support of the Iraqi people and had the following interview with him:

[Question] The McFarlane scandal, when he slipped into Tehran and was kicked out by the Iranian authorities, has become apparent to the world as an ugly defeat for American policy. What kind of reaction did this political triumph by the Islamic Republic trigger in Lebanon, especially since world arrogance is trying hard to play down this defeat?

[Answer] America's defeat in Tehran raised surprise and astonishment in Lebanon and other places. It was a matter worthy of surprise. With regard to the interactions that came into play following the disclosure of a large part of this case, there was a clear sense of Iranian ingenuity and political acumen in the face of what is known as American stupidity and what may be call lack of understanding despite all the trials that the Islamic banner in general and the situation in Iran in particular have experienced.

The justification Reagan offered to the American people demonstrates a naivete as well as a mentality used in dealing with a group of corporate representatives in Tehran, whereby one company is pitted against the other to

cause confusion, but it turned out that their administration was the one that was confused.

Undoubtedly, revelations so far demonstrate admirable political efficiency by the Iranian administration and political backwardness by the Americans. This is what we have always expected for they have committed grave mistakes in the past and will commit similar mistakes in the future. We must congratulate ourselves on witnessing such ugly mistakes.

What has happened so far has been all good.

[Question] What are your perceptions of the camps war and the conspiracies to set it aflame?

[Answer] We depart from the premise that the Palestinians in Lebanon have the right to lead a stable secure life and must not be subjected to attacks. At the same time, the Lebanese also have rights in their own country which the Palestinians must not breach.

There is an Islamic position the Lebanese Muslims espouse toward the question of Palestine and it can be summed up in four points:

First, the Palestinian right to live and enjoy all the recognized opportunities in life save for the right to naturalization.

Second, they have the right to be safe from any kind of aggression.

Third, they do not have the right to self-security, or to carry arms. We reject the theory of self-security, even for the Lebanese themselves. No sect or party has the right to claim charge of security in its area.

Security is either unified under official agencies or an area and its environs. It is absurd, however, to have every side, sect or party set up its own security.

On this premise, we oppose the idea of the Palestinians having their own security apparatus. Each Palestinian community or camp anywhere in Lebanon must observe the kind of security arrangements in force in its area.

Al-Rashadiyah camp in Tyre should have the kind of security procedures in force in the city of Tyre. The camps of Beirut and its southern environs should have the type of security in force in the city of Beirut so as not to end up with two forms of security and two agencies managing security.

Fourth, a ban on the spread or expansion of armed Palestinian presence outside the camps whereby the pre-1982 situation would be restored. As for their recognized civilian presence, they should be like us, enjoying the same rights and shouldering the same responsibilities.

This is the Islamic position.

Some Palestinian factions, the 'Arab line in particular (with all the links to the Middle East settlement, the Palestinian cause in particular, that it purports) have raised problems in this position in their efforts to achieve a shift in Lebanon's equations and to put their hands on the Lebanese south in order to use it as a bargaining chip in the current haggling over the Palestinian cause.

Problems have been arising ever since then.

We have worked to contain these problems and prevent further development of mistakes committed by the 'Arafat line. You know that 'Arafat is directing his battle from Baghdad and this provides adequate proof of the identity of this war.

'Arafat was joined by Arab-Arab and Arab-Palestinian problems and the battle went on despite the many attempts by Syria that has undertaken and is still undertaking great, arduous and strong endeavors which heretofore have been futile. Algeria has undertaken endeavors and so has Iran in its initiative which we strongly supported, as we supported the Syrian endeavor, but so far to no avail due to the intransigence of the line we have mentioned.

Some honorable hard-fighting Palestinian leaders, or those who understand reality at least, have expressed readiness to cooperate with the Iranian plan. However, the 'Arafat line is always the spoiler. 'Arafat and his group want to force themselves on the Palestinian people and the Muslims in Lebanon.

It is an established fact that 'Arafat, in this war of his, is cooperating with the Lebanese regime and with the president personally. The Lebanese regime is a partner in this war that is raging around and inside the camps.

We are still pursuing with the active powers ways to find a political solution to this general Islamic position. Moreover, we support the initiatives and the good offices the Iranians and the Syrians have undertaken to bring about a cease-fire in order to effect security arrangements around the camps and to move on to political discussions aimed at reaching a formula for a Palestinian presence in Lebanon based on the four matters I have mentioned, for these cannot be overlooked.

[Question] How far has Iranian mediation gone and why has it reached an impasse?

[Answer] I can consider myself a major party to Iranian mediation. The truth is that the main reason Iranian mediation has hit an impasse (and I do not like to use the term "impasse" because Iranian mediation has not exhausted all the possibilities for success) is the line followed by 'Arafat and his cohorts.

The allegation that the invasion and occupation of Maghdushah have triggered sectarian strife is not true. The position I have mentioned is not that of the Amal movement or the Shiites, but rather belongs to the Muhammadans and

the Muslims in Lebanon, including the Sunnis, the Shiites and the Druze. All are committed to the afore-mentioned position. We do not have two Islamic positions on the Palestinian situation in Lebanon. This unified position has been repeatedly expressed in communiques issued by the Islamic meeting held at the grand mufti's office, in statements made by the Druze religious council and in the Supreme Shiite Council communique. God willing, in the expanded Islamic meeting to be held in Beirut and Damascus next week, this position will be manifested in a unified fashion.

[Question] What is the latest news on the Islamic movement in Lebanon?

[Answer] Thank God we, the Lebanese Muslims with all our various organizations, have achieved coordination in our holy struggle while maintaining organizational diversity. This general Islamic struggle situation in Lebanon and the resistance against Israel which we call an all-out resistance and is oriented toward the military struggle line and the political line, or within the sphere of political positions against Lebanon and the tactical line in general, has attained a high degree of strength and success and, God willing, it will continue in this direction. I am confident that we will carry on with it and will develop its capabilities for the better.

We are facing many difficulties because of these incidents with some Palestinian factions which, even though they have influenced the march of our struggle, they have not impeded it and this resistance will continue in accordance with its own Islamic ideology that does not recognize the Zionist entity. This is one point on which the general position on Palestinian presence in Lebanon is built.

The line currently followed by the PLO is one that recognizes Israel and seeks a settlement with it while our resistance in Lebanon does not recognize it and rejects a settlement with it. Otherwise, it would have been easy for us to enter into a settlement with the Zionist entity, but everyone knows the Lebanese Muslims' position on the May agreement and the al-Naqurah negotiations to work out security arrangements. Our position of rejection is based on our belief that Israel must withdraw without gains and that recognition of it or dealings with it cannot be sanctioned. The general Palestinian Arab reactionary line, save for Syria that is not committed to it, seeks settlement via the ill-conceived Amman agreement. The 'Arafat-Husayn agreement provided a way into the Fez settlement plan which the Fez summit passed a few years ago and which Arab officials, including the Palestinians, are seeking to achieve.

The resistance against the Israelis is active and successful. Naturally, in the south and in west Biqa', we are sustaining heavy losses and harsh and vicious blows from the Israeli enemy and its partisans within these areas. These blows, however, have not and will not in any way affect our morale and determination to carry on this line.

[Question] The Egyptian arena, the educated and college graduate class in particular, is witnessing today signs of a tempestuous Islamic revolution. What is your assessment of this situation?

[Answer] We have always view Egypt, as well as its al-Azhar and its religious and intellectual leaders and the heroic Egyptian people, with the hope and expectation that the ruling order in Egypt is one thing and the Egyptian people and their ideological leaders are something else, and that the Israelis and Americans have concluded a peace with the regime alone and not with the Muslim people in Egypt.

We are not surprised by what is happening today or by what happened last year. We will not be surprised in the future by the expansion of this blessed Islamic spirit and by its stepped-up and intensified self-expression in rejecting all surrenderist formulas the ruling regime in Egypt is trying to enforce.

Egypt shall remain Muslim, faithful to its history and true to its religion. The future in Egypt belongs to Islam and not to Israel or America or Camp David.

[Question] Islamic signs of good omen are shimmering from fraternal Sudan. Are you planning to support and fortify this blessed spirit?

[Answer] Sudan is witnessing important changes which we believe to be positive developments and will be more positive in the future.

We view with sympathy and great understanding the new regime's attempts to rectify Sudan's posture in foreign policy with a view to striking a greater balance in its stance toward the East or West and getting closer to the new spirit in the Islamic world. We sympathize as well with Sudan's efforts to solve the problem of the south which in reality is a Zionist crusade problem aimed at creating difficulties for the Islamic people of Sudan by inciting some Christian and pagan minorities. This is truly a baffling phenomenon and I say with pain and regret that the church has found itself standing side by side with the pagans opposite the Muslims who are bound to the church by great faith at least, for they are in our view the People of the Book.

This is nothing but another example of hostility and loathing toward Islam and toward any possibility of Islam taking off as an organizational, civilizational and political plan for the Muslims and toward the desire for freedom and liberation Islam is trying to instill in the hearts of Muslims in Sudan and all other Muslims in order to get rid of the tutelage of the East, the West and the superpowers over them.

We have great hopes that God will enable the Sudanese leadership to be more farsighted in perceiving problems and more unbending in facing internal and external conspiracies. You know that the Ethiopian regime, that is hostile to Muslim aspirations in this part of the African continent, is nurturing the rebels in the Sudanese south and is stirring up trouble within Sudan to deprive it of stability, while in the meantime it is linked to the problem of the Muslims in Eritrea.

AL-SHAYKH HILAL VILLAGE PROBLEMS DESCRIBED

Damascus TISHRIN in Arabic 6 Jan 87 p 3

[Article by Ahmad al-Ibrahim: "Village Under Lights: Well, Reservoir, and Watering Places in al-Shaykh Hilal Village, But No Drinking Water Supplied Yet"]

[Text] Al-Shaykh Hilal village is nearly 60 km northeast of Salamiyah. Administratively, it is within the jurisdiction of al-Sa'n Subdistrict. It is located 13 km east of al-Sa'n and is linked to the latter by a semi-paved road abounding with potholes. The Technical Services maintenance workshops have not found their way to this road since it was asphalted.

The village population is 2,500 people. Most of the village houses are old houses built of clay and stone in the form of conic domes. The village has had electricity since 1980 and it gets its drinking water from cisterns built in the houses, keeping in mind that the Housing and Utilities Directorate has drilled a well and built a reservoir and watering places in the village. However, the well cannot meet the inhabitants' needs. The village dates back to 1935 and it is named after Hilal, the first person to build a house in it. The village is built on the ruins of another ancient village which once played a significant role in communication between the two ends of the Fertile Crescent because it was located on the traditional commerce route between the two ends of the Syrian semi-desert. An east-west route passed through the ancient village and linked the Euphrates Valley with the Syrian coastline. The village contains the remains of a monastery, called "a citadel" by the common people. The monastery is located in the eastern part of the village and contains the ruins of a church, monastic lodgings, and other Christian antiquities. Despite the destruction to which such centers were subjected during the Persian invasion, even though all the Christian landmarks were destroyed at the time and even though al-Shaykh Monastery encountered the same fate, the church paintings, the altar, the monks' niches, and their censers are still clearly visible (according to the book "Salamiyah in 50 Centuries," written by Mahmud Amin).

Economic and Educational Conditions

Comrade 'Isa Salhab, the party branch secretary, said that the population depends on agriculture and sheep breeding and that the village has 85,000

donums of land, of which 20,000 are arable and the rest are rocky lands used for sheep grazing. In addition to agriculture and sheep breeding, many of the village citizens are engaged in free business and employed in jobs. The village has an elementary school with 300 male and female students. The school building belongs to the Ministry of Education. The educational audiovisual aids are inadequate.

In addition to the elementary school, there is a preparatory school with 80 male and female students and 5 teachers. Both schools teach successively.

Services and Utilities

The village has a healthcare center which serves many citizens from the village, from other villages, and from among the nomadic bedouins in the semi-desert. The center has one doctor and three nurses. Sometime ago, the doctor used to live in the village. But at present, he spends 3 days a week in the village, if he can find the means to travel from the Health Directorate and the Salamiyah Healthcare Center to the village. The village healthcare center has an infant and mother care branch but this branch renders the citizens no service because it has not female doctor, no midwife, and no dental clinic.

What does al-Shaykh Hilal village want?

1. An outlet for the sale of consumer goods to the village and the neighboring villages.
2. A guidance unit for rug production, considering that many young women in this village and in the neighboring villages are unemployed.
3. A building for the preparatory school.
4. A public telephone booth and a veterinary center.
5. A multi-purpose cooperative association.
6. It wants the village roads paved and the public road extended to the residential areas.

8494/12379

CSO: 4404/167

COOPERATIVE AGRICULTURE IN DAR'A GOVERNORATE DISCUSSED

Damascus TISHRIN in Arabic 6 Jan 87 p 3

[Article by Husayn Qasim: "Dar'a: Agricultural Cooperative Sector's Activities: 5 Cooperative Associations Founded and 2,000 Farmers Attracted to Cooperative Organization Last Year; Agricultural Loan Volume Rose from 8 Million Pounds to 18 Million Pounds in 1985"]

[Text] Agriculture receives the party and state officials' attention due to the agricultural sector's importance to a strong and firm national economy capable of creating a prosperous and advanced society. The General Federation of Peasants is one of the circles entrusted with the agricultural process, especially since this federation has become the party in charge of agriculture as a production activity and since the federation's decision on all agricultural issues has been approved.

In this article, we will review some of the accomplishments achieved for the brother cooperative farmers belonging to the Dar'a Province Peasants Federation through two interviews we have had with Comrades 'Arif Sulayman and 'Abdallah 'Abd-al-Halim, two members of the Dar'a Peasants Federation's Executive Bureau.

The governorate's peasant organization has undergone noticeable development in recent years. By the end of 1980, there were 132 peasant associations in the governorate, including 99 multi-purpose associations and 33 specialized associations. By the end of 1985, the number rose to 151 associations, including 102 multi-purpose associations and 49 specialized associations. The federation bureau's plan called for the founding of five peasant associations specialized in cattle breeding in the governorate. We founded three associations in the second quarter of 1986 in the villages of Tasil, Nimr, and Sahm al-Jawlan and two other associations in the villages of al-'Aliyah and al-Nasiriyah. We thus completed the plan for founding associations, keeping in mind that the governorate includes 160 villages. At the end of 1980, the number of farmer members in the governorate's peasant organization amounted to 11,095 members, including 1,530 women. By the end of 1985, the number rose to 21,210 members. The organization bureau's plan for 1986 called for increasing the membership by 2,000 male and female farmers. This was done in accordance with the plan.

Livestock Resources

The development achieved also included livestock resources. The number of head of cattle owned by the cooperative sector rose from 16,486 head in 1980 to 27,618 head in 1985. The cooperative sector also owns 215,223 sheep, 54,258 goats, and 268,000 chickens. The growth in the governorate's livestock numbers has greatly increased animal products. A total of 19,581 tons of milk were produced in 1980 whereas the figure rose to 41,056 tons, i.e., more than doubled, in 1985. Wool production rose from 103 tons in 1980 to 235 tons in 1985, even though it did not exceed 82 tons in 1981.

Production Machinery

The number of agricultural machines has also increased. In 1981, the governorate had 1,971 tractors whereas this number rose to 2,270 tractors in 1985, with the organization owning only 26 tractors. The tractors belonging to the organization operate in accordance with the new operation system. In 1985, the organization owned five harvesters.

Production Projects

In 1980, the revenues of the tire and spare-parts sales center amounted to 30,521 Syrian pounds and its net revenues amounted to 31,554 Syrian pounds whereas in 1985, the center's revenues amounted to 78,270 pounds and its net revenues to 74,813 pounds, keeping in mind that the organization sells tires to the brother farmers at nearly cost price, with a small profit margin not exceeding the center's expenses.

Irrigation and Drainage

The number of the governorate's artesian wells increased from 80 wells in 1980 to 561 wells in 1985, keeping in mind that exploitation licenses have been issued to more than 400 wells. The Technical Services Directorate has issued more than 1,367 licenses for drilling artesian wells. Whereas only three dams were completed in the governorate by 1980, the number rose to seven dams in 1985, namely Dar'a dam, Abta' al-Kabir dam, al-Shaykh Miskin dam, al-Ghariyah al-Sharqiyah dam, Tafas dam, Abta' al-Saghir dam, and Tasil dam.

Agricultural Loans

The loans obtained by the agricultural cooperatives from the Agricultural Bank increased steadily in the 1981-85 period. In 1981, the short-term loans amounted to 1,711,592 Syrian pounds, the medium-term loans to 5,587,114 pounds, and the long-term loans to 619,500 pounds. In 1985, the figures increased, and the short-term loans obtained by the agricultural cooperatives amounted to 8,406,161 Syrian pounds, the medium-term loans to 5,129,931 pounds, and the long-term loans to 4,147,125 pounds. The bank loans obtained by the private sector in 1981 amounted to 1,684,137 pounds in short-term loans, 4,755,120 pounds in medium-term loans, and 992,300 pounds in long-term loans. In 1985, the loans obtained by this sector amounted to 1,459,269 Syrian pounds in short-term loans, 4,728,500 pounds in medium-term loans, and 1,274,800 pounds in

long-term loans. By comparing cooperative financing with private-sector financing in the 1981-85 period, it becomes evident to us that cooperative financing is relatively increasing and that it is better than private-sector financing. This increase is due to the farmers' demand for loans from the Agricultural Bank. In the preceding 5-year plan, the federation obtained a financial grant of 1.16 million Syrian pounds and this grant was spent on the following:

- An olive-oil press at a cost of 1 million Syrian pounds.
- Querns [to grind wheat into burghul] for a sum of 130,000 Syrian pounds.
- A vineyard for a sum of 30,000 Syrian pounds.
- A vineyard for a sum of 30,000 pounds.

A number of associations were granted financial aid to build fodder storehouses.

Agricultural Affairs

In the area of farming activity, the federation follows up on the brother farmers' applications for seedlings and delivers the seedlings. In 1984, applications were made for 184,118 olive seedlings, 92,854 grapevine seedlings, 17,833 peach seedlings, and 4,265 citrus seedlings. In 1985, there were applications for 121,972 olive seedlings, 83,992 grapevine seedlings, 22,519 peach seedlings, and 7,000 citrus seedlings. By reviewing these figures, we find out that there is strong interest in cultivating fruit trees, especially olive trees. We should keep in mind that under the best circumstances and conditions, no more than 75 percent of the seedlings applied for are delivered. However, there is a considerable number of fruit trees in the governorate. Statistics issued in 1985 show that the cooperative sector owns a considerable percentage of the governorate's trees. For example, the cooperative sector owns 399,882 olive trees, 5,875 apple trees, 7,781 apricot trees, 698,402 grapevines, 56,079 plum trees, 34,091 pomegranate trees, 30,039 lemon trees, 60,799 plum trees, 31,843 almond trees, and 3,620 cherry trees. This proves the development of fruit-tree cultivation in the governorate. A large number of these trees will begin producing shortly. This increase makes up for a part of the loss of trees due to many reasons, including old age, affliction with tree pests such as (canbores) which afflict almond trees, the destruction of old vineyards because they are no longer economic, and the destruction of trees as a result of exposure to the spring frost. In 1985, a total of 20,050 olive trees, 410 apple trees, 18,845 grapevines, and 9,275 pomegranate trees were destroyed. As for forest trees, the number of seedlings planted in 1985 amounted to 350,000 seedlings compared to 115,000 seedlings in 1980, i.e., with an increase of 233 percent.

Improved Seed

The volume of improved seed collected by the cooperative associations in 1980 amounted to 3,150 tons of wheat. The figure amounted to 4,500 tons in 1985.

The volume of fertilizer distributed in 1980 amounted 1,500 tons. In 1985, the volume amounted to 3,700 tons distributed to the brother farmers according to need and to the agricultural technicians' instructions.

8494/12379

CSO: 4404/167

AFFORESTATION ACTIVITY IN IDLIB GOVERNORATE EXAMINED

Damascus TISHRIN in Arabic 6 Jan 87 p 3

[Article by Ibrahim 'Abd-al'Aziz: "Idlib: 2,360 Hectares Cultivated with Trees and 2.5 Million Seedlings Planted in Current Year"]

[Text] Idlib--The final week of 1986 was characterized by creative interaction between the various popular departments, institutions, and organizations which channelled their efforts to reinforce the efforts, capabilities, and resources of those working in the agricultural sector, led by the Agriculture and Agrarian Reform Directorate, as part of a concerted campaign to plant the largest number possible of seedlings, especially forest seedlings. The campaign coincided with the 35th Arbor Day celebrations in which the governorate's prominent party and state officials participated.

On this campaign, on the current season's plan and on the development of afforestation generally, Comrade Engineer Hasan al-Khatib, the governorate's agriculture and agrarian reform director, said:

Effort and Care

To begin, it must be pointed out that afforestation on the cultivation of any kind of tree is not tied to a certain occasion, does not grow and intensify with the onset of such an occasion, and does not fade out and disappear as soon as the occasion passes. Tree planting is a constant and perpetual process due to two factors: first, the growing awareness among the governorate's farmers of the importance of tree planting and their eagerness to exploit whatever land can be exploited and, consequently, their strong interest in reclaiming land and planting it with trees.

Second, the Ba'th revolution's interest in tree planting--an interest that has taken deeper and more comprehensive dimensions under the leadership of comrade struggler Hafiz al-Asad.

Beauty and Civilization

However, the Arbor Day celebration has developed a general awareness of the importance of tree planting and has encouraged every citizen to perform his national, pan-Arab, and human duty in this area by contributing individually

within the framework of his popular or professional department, institution, or organization and by planting whatever he can plant.

In addition to the economic benefits yielded by trees, with the fruits they produce and with the uses to which the leftovers of the many and varied trees are put, and in addition to their contribution to softening the atmosphere, acting as windbreakers, fencing orchards, binding the soil, and curbing desertification, trees are an esthetic and civilizational manifestation. This is why the revolution devotes on this occasion attention compatible with the importance of trees and of the place they occupy in our society.

One Hundred Thousand for Arbor Day

On the occasion of this Arbor Day, celebrated under the patronage of his excellency the governor, a total of 100,000 seedlings have been planted in numerous sites. Numerous popular and official organizations took part in the planting activity. Organizations and other bodies have set up their own forests and given them their names. We supplied the necessary seedlings and the organizations have undertaken to tend and care for the seedlings which were produced by our nurseries in Basliya and al-Rawj. A total of 3 million seedlings were produced by these 2 nurseries this year [1986], of which 2.5 million were allocated to meet this season's afforestation plan and 100,000 seedlings to meet the citizens' needs. Another 100,000 seedlings were sent to al-Raqqah Governorate and 200,000 seedlings were sent to Aleppo Governorate.

Ambitious Plan

As for the 1986-87 afforestation plan, there is no doubt that it is an ambitious plan which calls for the afforestation of 3,360 hectares in various parts of the governorate and which will require 2.5 million seedlings, as we have already pointed out.

We have reached an advanced implementation phase, both in terms of digging the holes needed and of actual planting, which began with the start of the rainy season. Using our machinery, we have opened forest roads in the various sites to facilitate the work, to insure care for the seedlings, and to protect forest trees, especially against fires to which they may be exposed. In this regard, we have numerous forest stations spread throughout the forest areas to protect them from being destroyed, grazed, or cut.

We also have a team specialized in firefighting and equipped with early warning radio equipment linked to the communication network between the observation centers and the directorate center so that they may warn of any emergency and that the necessary steps may be taken at the right time.

There is no doubt that we will exert utmost efforts to improve the implementation of our plans in this sphere. Our plans are derived from the ministry's plan. We have the support and cooperation of the Ministry of Agriculture, of our comrades in the party branch leadership, and of the governor in developing this important source of wealth that has made a qualitative leap in recent years.

Qualitative Development

Forest development can be divided into four phases:

1. The first phase extends from 1952 to 1972 when only 14 hectares were afforested and about 14,000 seedlings were planted.
2. This phase extends from 1973 to 1977 when 320 hectares were afforested and nearly 320,000 seedlings planted.
3. The third phase is the phase following promulgation of Republic Decree No 108 of 1977, which called for increasing the acreage afforested in the country annually to 12,000 hectares.

This phase extends from 1977 to 1984 when the afforested acreage in the governorate amounted to 14,624 hectares and 11,699,200 seedlings were planted.

4. The fourth and final phase is the phase which followed comrade struggler Hafiz al-Asad's instructions that the area afforested in the country annually be doubled to 24,000 hectares. This phase began with the 1985-86 afforestation season. The governorate's plan called for the afforestation of 3,360 hectares and was actually implemented. A total of 2,643,930 seedlings were planted.

We are in the process of implementing this season's plan in accordance with what we noted at the outset.

8494/12379
CSO: 4404/167

BRIEFS

DAMASCUS BUSINESSES CLOSED—Seven commercial establishments were officially closed in the city of Damascus for violating the laws and decrees in effect on supply goods. A source in the Ministry of Supply and Internal Trade said that the period of closure ranged between 2 weeks and a month, in addition to the cancellation of two establishments' licenses for having increased the prices of long and short strand al-Hamra' tobacco. The source said "The violations included the sale of various commodities at higher prices, including al-shu'aybiyah [type of pastry], eggs, tobacco, flowers, sesame paste, and mullet. The legal case against the violators was prepared and sent to the authorized court. [Text] [Damascus TISHRIN in Arabic 25 Jan 87 p 2] /8309

TOBACCO SMUGGLERS ARRESTED—Dar'a (SANA)—The number of arrests of smugglers of foreign tobacco made by the prevention center patrols for the southern region during the past year was announced as being 1,820. The head of the prevention center told a SANA reporter yesterday that the confiscated amounts were 480,120 kg of various types [of tobacco] forbidden to be imported. Some 396,633 Syrian pounds in fines were levied from these confiscations, which contributed to a great decrease in smuggling operations in the provinces of Dar'a and al-Suwayda'. [Text] [Damascus TISHRIN in Arabic 11 Jan 87 p 2] /9274

SMUGGLED TOBACCO, WOOD CONFISCATED—Hims (TASHRIN)—The customs police in Hims yesterday seized a Mercedes carrying 1,049 bags of smuggled foreign tobacco, valued at approximately 84,000 Syrian pounds. Mr Majid al-Jisri, director of customs in Hims, said that fines for the confiscated tobacco were 492,000 Syrian pounds. He indicated that the customs men in Hims had seized a pick-up truck carrying 280 sheets of plywood. The customs director added that customs police elements in all the provinces, according to their orders, will not hesitate to confiscate smuggled goods, detain the vehicles and persons which transport them, make the necessary arrests, and fine the smugglers, so as to contribute to the cessation of this hemorrhaging which is sapping the body of the national economy. [Text] [Damascus TISHRIN in Arabic 13 Jan 87 p 2] /9274

CSO: 4404/228

GRAIN AUTHORITY MERGED WITH FOREIGN TRADE AUTHORITY

Ta'izz AL-JUMHURIYAH in Arabic 8 Jan 87 p 1

[Article: "Republican Decree Merges Yemeni General Grain Authority with Foreign Trade Authority"]

[Text] Republican decree No 1 for 1987, issued yesterday, merges the Yemeni General Grain Authority and the Yemeni General Authority for Foreign Trade, into one unit to be called The General Authority for Foreign Trade and Grain.

The decree reads, after the preamble:

Article I: The Yemeni General Grain Authority and the Yemeni General Authority for Foreign Trade are to be merged into one unit to be called the General Authority for Foreign Trade and Grain.

Article II: The new authority is to be organized and its competence and functions defined according to observed constitutional practices.

Article III: This decree is effective the date of issue and is to be published in the official gazette.

Issued at the Republican Palace in San'aa on 7 Jumada al-Ulah 1407 Hijra, equivalent to 7 Jan 87.

Signed: Col 'Ali 'Abdallah Salih, President of the Republic, Commander-in-Chief of Armed Forces, Secretary General of the General People's Congress.

'Abd al-'Aziz 'Abd al-Ghani, Prime Minister, Member of the Permanent Committee.

Muhammad al-Khadim al-Wajih, Minister of Economy, Supply, and Trade, Member of the Permanent Committee.

12945/12379

CSO: 4404/196

DISSERTATION DISCUSSES ECONOMY DEVELOPMENT FUNDING

Abu Dhabi AL-ITTIHAD in Arabic 13 Jan 87 p 17

[Article by Ahmad al-Jabali: "How Are Development Plans Funded in the Yemen Arab Republic? Second 5-Year Plan Indicates Vitality of Yemeni Economy Despite Weakness of Production and Service Bases; Expatriate Remittances Play Important Role in Funding Development and Are Expected To Rise to 15,425.1 Million Yemeni Riyals"]

[Text] What are the characteristics of the YAR economy? What sources are available to fund social and economic development plans? What is the forecast for the future?

These and other questions on the economic picture in YAR were comprehensively answered in a dissertation by Dr 'Abdalah Husayn Barakat, Yemeni minister of the interior and member of the Permanent Committee, which he presented to the Department of General Finance and Tax Legislation at Cairo University's School of Law. It earned him a Ph.D. cum laude. The dissertation was published under the title "Funding Sources for Economic and Social Development Plans in the Yemen Arab Republic" in which the author dealt with one of the most important economic issues facing developing countries such as the YAR.

The author said that 73.3 percent of YAR population is employed on the farm, that the numbers have changed under the development plans, and that the agricultural sector still claims the vast majority of the population.

He added that the Yemeni economy took off from a weak productive base and a backward service base lacking in basic facilities and suffering a scarcity of professional skills. Some of the characteristics of the economy he mentioned include: the tribal nature of Yemeni society; isolation from the outside world for generations and until the open-door policy of the revolution; and geographical dispersion and difficult communications imposed by the country's topography have increased the cost of utilities and reduced the state's ability to distribute them.

He said that the First 5-Year Plan faced obstacles that included human problems; shortage of professional, technical, and administrative skills, institutional obstacles; and lack of natural resources.

The author then discussed the development efforts of the Second Plan (1982-86), pointing out that it indicated vitality and emphasized the need for constant and comprehensive development. He forecast economic indicators until the year 2000 and deduced that the Domestic National Product will fall short of total consumption, that net national savings are less than total investment, and that the rate of increase in investment spending is higher than the rate of increase in current spending.

The author attributed inflation in the YAR to increased monetary liquidity resulting from an increase in individual purchasing power, inflow of monetary resources from abroad, population increase, and increase in public and private spending. This is coupled with no increase in public resources, increased bank lending to the private sector, and imports triggered by weakness in domestic production.

Discussing the role of foreign trade in funding development, he pointed out the weakness of Yemeni exports compared to a large increase in the volume of imports. The trade balance suffers a continuing deficit which increased in the period from 1969/70 to 1978 at an annual rate of 31.1 percent.

Expatriate Remittances

The author also discussed expatriate remittances as a source of funds, saying that they played an important role in financing development by funding part of the private sector's investment in many industrial and housing projects. He said expatriate remittances in 1982 totaled some 1 billion riyals.

In relating remittances to foreign trade he found that in most years the volume of remittances approximated the volume of foreign trade and had a positive impact on the balance of payments. This means that expatriate remittances were a factor in balancing the balance of payments or reducing the deficit during the period from 1972/73 to 1983. Lower oil revenues in host countries caused a decrease in remittances in recent years and prompted most expatriates to return home. Yet remittances still represent a considerable source of funds for development. Remittances, at 95.1 percent represented the main source of financing for investment under the First 5-Year Plan. This resource must therefore be nurtured and preserved.

The author, in a theoretical forecast of expatriate remittances, said private transfers will increase by 505.6 million riyals annually. Remittances therefore will increase to 8,347.2 million riyals this year rising to 11,897.3 million riyals in 1995 and to 15,425.1 million in this year 2000, assuming that other indicators constant.

There are indications, however, that the number of expatriates will go down because of differences in the standard of utilized production technology. Wages are not expected to rise because of inflation in host countries. Yet remittances carry weight in financing development. Therefore it is necessary to orient remittances away from consumption into investment, to deposit expatriate savings in domestic banks, and to encourage savings at home, rather than hoarding abroad, in order to guarantee the utilization of such savings in development.

The author also touched on the people's role in economic development and on the cooperative movement in YAR and its noble accomplishments in building roads, schools, clinics, water works, farm projects, loans and grants, etc.

The author, in another chapter, discussed loans and grants as a source of funding. He explained that loan absorption was weak under the development plans. During 1978/79, loans were absorbed at the rate of 11.8 percent, which increased to 64.8 percent in 1981, then decreased to 60.8 percent in 1982, up again to 66.3 percent in 1983 and to 67.3 percent in 1984. This shows that the Yemen republic did not sufficiently absorb current loans even though most of them were soft: 48.5 percent of all loans carried interest not exceeding 1 percent, 17 percent had interest varying from 1.5 to 2.75 percent, and 31.5 percent of all loans carried interest charges ranging from 3 percent to 4.5 percent.

By the end of the first development plan in 1981, loans from Arab countries totaled 2,876.9 million riyals, of which Saudi Arabia offered 49 percent, Iraq 30 percent, Kuwait 14 percent, the UAE 6.9 percent, and Algeria 0.2 percent. Total in use was 1,740.6 million riyals.

Loans from socialist states by the end of 1981 totaled \$656,468.5 million in the form of commodities, cash, investments, and special equipment.

The study showed that the amount of loans from capitalist countries was less than those from Arab and socialist countries or from international institutions. Western loans carried higher interest rates and had more stringent conditions for repayment.

As to grants and aid, the author said monetary transfers amounted to 58.8 million riyals in 1972/73, increasing steadily to 1,350.6 million riyals in 1976/77 and to 1,879 million riyals in 1982. Assistance in kind remained under 50 million during the tri-development program and the First 5-Year Plan, then rose to 230 million Yemeni riyals at the beginning of the second 5-Year Plan. Total aid was 67.2 million riyals in 1972/73, increasing steadily to 11,402.6 million riyals in 1978/79, declining to 665.2 million riyals in 1980, then up again to 1,516.4 million riyals in 1981, reaching a high of 2,109 million riyals in 1982.

Role of Foreign Investment

The author found direct foreign investment to be marginal and was of no consequence in financing development. The volume of private foreign transfers indicates that foreign investors transferred funds abroad. Private transfers abroad increased from 90.8 million riyals in 1973/74 to 3,329.7 million riyals in 1979/80. Even though capital played a marginal role in funding development in the past because of instability, it is beginning to invest as witnessed by the list of corporations issued by the Ministry of Economy and by the annual reports of the Bank of Yemen.

A chapter dealing with current accounts and the balance of payments indicates that commodity exports are not a major factor because of insignificant volume whereas commodity imports are a major factor that is causing a large and steadily increasing trade deficit. Service revenues, including expatriate remittances and assistance in kind and in cash, played a major role in the economy of Yemen and obviously helped to reduce the deficit. It was apparent that it would have been impossible to cover the major part of the trade deficit were it not for Yemeni expatriate remittances which are in effect Yemeni savings flowing in from abroad. The YAR balance of payments is characterized with a continuing and increasing trade deficit as a result of a weak export base centered around farm products at the same time that the economy is increasingly dependent on imports for consumption and for development efforts.

Results and Recommendations

The author wondered whether development financing must depend on foreign funds or whether domestic sources could do the job.

Dr Barakat said the issue of loans and aid should be considered in light of the peculiarities and the environment of the Yemeni economy such as the extent of underdevelopment, the scarcity of local resources, etc. The YAR has benefited from foreign aid and loans in financing economic and social development programs by helping to create the basic structures and raise the country's absorptive capacity. Foreign aid helped to a large extent in meeting many of the basic human needs of Yemenis such as education, health, roads, and pure water. And yet foreign fund inflows are slight compared to YAR needs.

Among the author's recommendations:

- Increase public revenues by rationalizing collection methods. Reconsider the fees charged for state services. Plan exports and imports and encourage tourism.
- Investment should be planned with a view to financial balances. Projects to raise productive and economic capacity should be given priority. Production and investment incentives should be introduced.
- Encourage investments financed by expatriate remittances. Encourage both public and private sectors and orient them to productive investments.
- Maintaining a foreign currency budget would define import priorities. Pre-licensing of all import activity would help direct imports towards capital goods to help increase productivity. Loans and assistance should also be rationalized and oriented towards production.
- Government agencies and ministries involved with planning and development should be restructured and coordinated. An apparatus should be created to supervise and oversee development plans.

12945/9835
CSO: 4404/206

MUR PROJECT EXPECTED TO BOOST ECONOMY

Ta'izz AL-JUMHURIYAH in Arabic 7 Jan 87 p 4

[Article by 'Abdu Salam al-Sharjabi: "The Mur Valley Project is the Most Important of All Seven Valley Projects in the Tihamah Plain; Total cost is 394 Million Riyals"]

[Text] Today, dear reader, permit me to transport us to the biggest and most important of the seven valleys of the Tihamah coastal ribbon. It is Mur valley on whose various sides, and across whose large waterways is being built a multiplicity of canals, main and branch pipelines, waterfalls, and gates for flood control. It is where numerous wells are being drilled and roads are being built to serve a huge project that will greatly impact agriculture and animal husbandry and which will become a cornerstone of the national economy we seek.

Mur valley lies some 100 kilometers north of al-Hudaydah. It is the largest and most important of the seven valleys in the Tihamah plain. The valley is bounded by two smaller valleys--'Ayyan to the south and Juwah to the north. Mur valley penetrates these lands and dissects them into two parts, almost equal in area. The asphalt road from Jizan to al-Hudaydah travels Mur from north to south.

Mur is relatively flat compared to other valleys in Tihamah plain. Climate in the area of the project is similar to that in Tihamah--hot and dry year-round with a slight drop in temperature in the wintertime.

Water sources in Mur are surface water and underground. With the exception of a small quantity of rainfall in the area of the project, the main source of flood water in Mur is the valley's basin which has an area of 7,900 square kilometers of mountains whose maximum altitude is 3000 meters above sea level.

Median annual rainfall on the basin is estimated at 250 millimeters with an approximate volume of 344 million square meters. Flood water has proven suitable for agriculture because of its very low salinity.

Underground water is available throughout the project area, mostly at very shallow depths. It is also available in certain locations at great depths (150 meters). Underground water is fed by surface water in the valley.

Artesian water is used for drinking and household purposes. A certain location in the project area was found suitable for artesian wells but salinity was found high in most of the project areas.

The project area is estimated at 72,000 hectares of which 16,000 hectares is suitable for cultivation and the rest can be reclaimed. Premium quality soil has very high productivity and no restrictions on usage. Second-grade soil is subject to some restriction but still has very high productivity. The project soil is composed of sandy alluvium and sandy loam leached by valley floods from its basin's soil.

There are 53,000 inhabitants in Mur, according to the 1974 census. They live in 7600 small villages with populations ranging from 100 to 600. The town of al-Zahrah is considered the biggest of these villages and their administrative center, al-Luhayyah is second largest.

Land ownership in Mur is different from other valleys in that most of it is private with the exception of 270 hectares owned by the state and 420 hectares in Trust. It is possible to divide such ownership into small, medium, and large farms and dense ownership.

1- The project will hopefully contribute to an increase in national income and to affect some basic changes in the national economy that would help its balanced growth. The project also involves the creation of centers for extension work, loan facilities, agrarian research, veterinary services, seed propagation, and buildings for administration, operation, and maintenance. The project will additionally help to alleviate food shortages in the country and to guarantee the raw materials needed to expand the textile industry.

2- Beneficiaries of the project are the estimated 53,000 inhabitants of the region. Benefits include a rise in individual income as well as improved living, social, and health conditions. The increase in the production of grains, vegetables, fruits, animal products, and potable water will help improve health and nutrition. The expanded labor force will create a more stable economic society. Arterial and branch roads as well as the Jizayn-al-Hudaydah highway will connect the region with the rest of the country and make it easier to reach heretofore unavailable services such as hospitals and schools above the primary level.

3- Calculated on the basis of anticipated benefits, the economic median was found to be 16 percent.

4- The project's productive surplus will help increase government revenues of tithes and cooperative tax. That increase was calculated at 12.74 million riyals annually.

5- Farmers' income will rise as the project results in greatly increased production.

6- The project will have a nice impact on the region's labor force by providing new jobs. Civil works are estimated to require 600 workers annually for 3 years. Project administration, guidance, research, and veterinary services will provide some 160 job opportunities annually. The project, at the peak of production, will employ 2300 workers. A labor force shortage is not anticipated because emigration has decreased and the population has increased.

We asked engineer Ibrahim 'Abd al-Jabbar al-Dumi [head of the Mur authority] to summarize for us the project's engineering aspects. He said:

The main thrust of engineering and irrigation works is to utilize underground and surface water by controlling the floods which vary greatly in their daily and annual flows and to utilize underground water without affecting its characteristics.

Surface irrigation works entail:

1- Building a reinforced concrete converter and gates to control the entrance to the main canal on the north side of the valley. It divides into two main canals one of which continues on the north side of the valley to irrigate land there. The other begins at the south side through underground pipes that carry water to the south side to irrigate land there.

2- Building branch canals to carry water from the main to distribution canals. This includes gates, locks, and protective works to irrigate some 19,000 hectares.

3- Rationalizing underground water by digging 32 artesian wells ranging in depth from 50 to 150 meters with a pipe diameter of 30 centimeters to irrigate some 4000 hectares.

4- Complete the digging of reconnaissance wells for control purposes.

5- Building potable water works. The project entails building some 100 potable water centers either as detached units or at village complexes serving some 53,000 people. Complexes play an important role in supplying 60 liters of water per person per day. They were designed keeping in mind the different conditions of the villages in the region. They have already been put to tender and the offers are now being analyzed in preparation for implementation.

6- The project involves building some 148 kilometers of gravel side roads to connect various areas of the project with local markets and with the Jizayn-al-Hudaydah main highway. Project design has already been completed and put to international tender whose offers are now being analyzed in preparation for execution.

The goals and productive objectives of the project are:

- 1- Increase productivity and income of farmers in the Mur valley by supplying irrigation and other agricultural services such as veterinary services, extension, protection, improved marketing, and training in various agricultural endeavors.
- 2- Construction of gravel roads to connect the project region with populated areas and other farm regions in order to facilitate agricultural services and products.
- 3- Improving the nutrition and health of area population by supplying potable water and varying crops.
- 4- Developing a regional center for applied research and creating a facility for seed propagation.
- 5- Conducting scientific and field studies on irrigation methods that can be improved by modern techniques.
- 6- Concentrating on meteorological and hydrological studies of surface and underground water.
- 7- Training Yemeni cadres needed for various farming activities.

Financing for the project is as follows:

- 1- International Development Fund--67.5 million Yemeni riyals
- 2- Kuwait Fund--56.7 million riyals
- 3- International Monetary Fund--54 million riyals
- 4- The Government of Western Germany--37.8 million riyals
- 5- European Common Market--13.5 million riyals
- 6- United Kingdom--1.35 million riyals
- 7- YAR--163.45 million riyals

Total financing is 394.3 million Yemeni riyals.

12945/12379

CSO: 4404/196

PAPERS REPORT ON ERSHAD'S VISIT TO INDONESIA

Banquet Speech Summarized

Dhaka THE NEW NATION in English 14 Jan 87 pp 1, 8

[Text]

JAKARTA, Jan 13 (BSS) : President Hussain Muhammad Ershad today said the destiny of the developing countries of the region was inextricably linked with one another.

At the same time, he said, peace and stability in the region are essential pre-requisites for development and progress.

The President was speaking at the banquet hosted by Indonesian President Suharto and Madam Tien Suharto in honour of him and Begum Raushan Ershad.

He said geography has placed Bangladesh as a bridge between South Asia and South-East Asia and this has naturally got its reflection in Bangladesh approach to external relations.

President Ershad reiterated Bangladesh's adherence to peace and the policy of good neighbourly relations and said to this end in view, 'we have been consistently pursuing a policy of maintaining close and mutually beneficial relations with our neighbours'.

Consistent with this policy, he said we believe that the institutionalised cooperation of SAARC will help advance the cause of peace, stability and beneficial cooperation in our regions. He said, 'We also have been following with keen interest the progress of ASEAN which is playing an important role in the overall economic and social progress of the member-countries.'

'Bangladesh will be happy to cooperate with ASEAN in a spirit of cooperation and mutual benefit,' the President said.

President Ershad referred to the urgent problems of the era of ever-widening gap between the rich and the poor nations and stressed the imperative of establishing a new international economic order without delay for narrowing the gap.

In this context, he spoke of Bangladesh's earnest endeavour to follow steadfastly a constructive policy of various international issues in promoting the cause of justice and fairplay in conformity with the U.N. Charter and the principle of non-alignment.

The President said both Bangladesh and Indonesia have been ardent advocates of interests of the developing Third World adding that both the countries are working closely in various regional and international fora in promoting the cause of the Third World.

Reviewing the global situation, President Ershad expressed his distress that the international environment was far from reassuring.

In this connection, he spoke of Bangladesh's support to the earnest efforts of world community to bring about a just and lasting peace in West Asia, support to the cause of Arab brethren, total Israeli withdrawal from all Arab occupied territories and full restoration of the inalienable rights of the Palestinian people to a separate homeland of their own.

Renewing his appeal to end 'continued war' between Iraq and Iran, the President observed that the Gulf war has been posing a threat to peace and security.

President Ershad reiterated Bangladesh support to the comprehensive mandatory sanctions against the minority racist regime in South Africa and immediate withdrawal of foreign forces from Afghanistan and Kampuchea allowing the peoples of these countries to decide their own fate.

Referring to the shared values, attitudes and aspirations of the peoples of Bangladesh and Indonesia, he said, 'We share our inspirations for the future from our heritage of the past.'

He expressed the hope that the relations between the two countries, rooted in history, will grow from strength to

strength, not only bringing peace and happiness to the people of the two countries, but also contribute toward peace and progress of the peoples in the region and the world.

Held at the state palace, the banquet was attended, among others, by Begum Raushan Ershad, Madam Suharto, Indonesian Vice-President, ministers and dignitaries, Information Minister Anwar Zahid, Jute Minister Zafar Imam, State Minister for Youth and Sports Sheikh Shahidul Islam, Deputy Minister for Foreign Affairs Wazid Ali Khan Panni and other members of Bangladesh presidential entourage.

14 Jan Talks, Agreement

Dhaka THE BANGLADESH OBSERVER in English 15 Jan 87 pp 1, 8

[Text]

JAKARTA, Jan. 14:-- Bangladesh and Indonesia today agreed to diversify trade between the two countries with a view to reducing existing trade imbalance, reports BSS.

The agreement was reached at the formal talks held between President Hussain Muhammad Ershad and President Suharto.

After the initial stage of talks, President Ershad and President Suharto retired to a separate room and held exclusive talks for about two hours.

Ministerial-level talks were also held separately for two hours at Istana Merdeka (Freedom Palace).

At the Ministerial-level talks, the Information Minister Anwar Zahid led the Bangladesh side and the Indonesian side was led by the Information Minister Harmoko.

During the talks, Bangladesh and Indonesia agreed to explore the possibility of setting up a Joint Commission for expanding and consolidating cooperation in economic, technical and other fields between the two countries.

Briefing newsmen after the talks, Information Minister Anwar Zahid said the two sides also agreed to intensify activities under the existing agreements between Bangladesh and Indonesia.

He said the meeting, held in a friendly and cordial atmosphere, exchanged views on bilateral, regional and international issues. Both the sides found their views

identical on all issues that came during the discussion.

The two sides also discussed subject relating to the Organisation of Islamic Conference (OIC), the Non-aligned Movement, South-South cooperation, global economic situation and Gulf War.

The Bangladesh side said it will be beneficial to utilise the experience and expertise of Indonesia in the field of oil exploration as Bangladesh has now struck oil.

The two countries, Mr. Zahid said, had agreed to explore further avenues of cooperation in as many fields as possible to the mutual benefits of the two peoples. Bangladesh side informed the Indonesian delegation that the Bangladesh mission in Jakarta will be strengthened soon.

Bangladesh Information Minister invited his Indonesian counterpart, Mr. Harmoko to visit Dhaka at a mutually convenient time.

In the talks, the Bangladesh side was participated by Jute Minister Zafar Imam, Deputy Foreign Minister Wajed Ali Khan Panni, the Bangladesh Ambassador to Indonesia Manzur Murshed, Major General Noor Uddin Khan, Major General Muhammad Abdul Latif and high officials.

Besides the leader of the Indonesian side, the talks were participated by the Indonesian Ambassador to Bangladesh Mohamad Achirul Aen and senior Indonesian Government officials.

Meanwhile, the Jute Minister Zafar Imam today met the Indonesian Cooperative Minister Bustanil Arifin and discussed the possibility of signing a long-term agreement between the two countries for supply of Bangladesh jute and jute goods to Indonesia.

During the discussions, the Bangladesh Jute Minister informed the Indonesian Cooperative Minister that his country was capable of supplying the entire jute and jute goods requirement of Indonesia.

Mr. A.S. Mahmud, President of Dhaka Chamber of Commerce and Industry, was present at the talks.

14 Jan Press Conference

Dhaka THE BANGLADESH OBSERVER in English 15 Jan 87 pp 1, 8

[Text]

JAKARTA, Jan. 14:—President Ershad said here today that the "fruitful talks" he had with the Indonesian President Suharto would further strengthen the bilateral relations and consolidate the existing cooperation in economic and other fields between the two countries, reports BSS.

Addressing a crowded Press Conference at the Press Room of Istana Merdeka, the President said very close historic and traditional ties bind the two countries and "we believe in carrying this relationship forward on the basis of friendship and mutual understanding."

He said Bangladesh greatly values cooperation with Indonesia. He said the two countries have common interest in many fields including the economic, commercial, educational, cultural, scientific and technical sectors. He hoped that the present imbalance in trade relations between the two countries will be reduced.

The President said his Government attaches special importance to Bangladesh's relations with Indonesia. The great multitude of 265 million people of the two countries has immense human potential making them a viable force.

He said, "We in Bangladesh watch, with great admiration Indonesia's efforts in developing its economy. We are particularly impressed by its performance in the field of rice production which has enabled it to attain self-sufficiency".

Replying to a question, President Ershad said since the South Asian Association for Regional Cooperation (SAARC) is still young in age, we will think of cooperation between the SAARC and the ASEAN in the future.

He told another questioner that Bangladesh has been trying to strengthen its industrial base by setting up more industries. Our, he said adding: the prices of our products like newsprints, cable and some other products are cheaper compared to many countries and hence Indonesia can import them from our land.

Information Minister Anwar Zahid, Jute Minister Zafar Imam, State Minister for Youth and Sports Sheikh Shahidul Islam, Deputy Minister for Foreign Affairs Wajed Ali Khan Punni and other Bangladesh delegation members were also present.

/13046

CSO: 4600/1388

SOVIET DEPUTY MINISTER VISITS TO DISCUSS ENERGY AID

Talks With Energy Minister

Dhaka THE NEW NATION in English 21 Jan 87 pp 1, 8

[Text]

The Soviet Union yesterday expressed its determination to help Bangladesh develop the transmission and distribution system of electricity, reports BSS.

This was communicated to the Minister for Energy and Mineral Resources Mr. Anwar Hossain by the visiting USSR Deputy Minister for Power and Electrification, Mr. A.P. Poddubsky who called on the former at his office.

The Energy Minister in the meeting emphasised the importance of adequate power generation for the economic development of the country translating the dreams of the independent struggle. The development of necessary transmission and distribution system were also stressed in the meeting.

The meeting, lasting for an hour, was held in a friendly and frank atmosphere.

Mr. Hossain mentioned the areas including transmission and distribution which have been identified for possible Soviet cooperation. The meeting discussed the constraints that Bangladesh face in undertaking new

project and also in implementing the on-going projects.

Mr Poddubsky in emphatical-term expressed his government's determination to help Bangladesh develop adequate generation of electricity and transmission and distribution system.

The two ministers also talked about possible cooperation in the exploration of natural resources that has already been discovered in Bangladesh as well as future prospect in this field.

Mr Poddubsky, arrived in the city Monday leading a five-member Soviet delegation to attend the inauguration of Soviet aided 210 mw Thermal Power Station at Ghorasal today.

When completed in 1990, the Ghorasal Power Plant (consisting of 5 units) will produce 740 mw, which will be about 40 per cent of total electricity (1850 mw) scheduled to be generated in the country by that time.

Besides generation of power, Soviet experts are working with the relevant government agencies in the exploration of mineral resources.

Soviet-Bangladesh Cooperation

Dhaka THE BANGLADESH OBSERVER in English 21 Jan 87 pp 8, 9

[Article by M.M. Bogdanchikov, Counselor for Economic Affairs to the USSR Embassy in Bangladesh]

[Text]

ECONOMIC and technical assistance in the development of power industry takes an important place in the economic co-operation of the USSR with the developing countries. This assistance is rendered by the Soviet foreign trade organization V/O "Technopromexport" (V/O "TPE"), which carries out all kinds of work connected with construction of thermal, gas-turbine, diesel and hydro power stations, transformer sub-stations and transmission lines in countries with diverse climatic conditions. With the technical assistance of V/O "TPE" in the developing countries there have been constructed and are under construction dozens of power stations with the total installed capacity about 37000 MW. Their share is 60% of the total power generated in Afghanistan, 43% in Vietnam, 30% in Iraq and Syria, 15% in Pakistan, 10% in India and Iran.

For example, with India this co-operation is realized on the basis of a long-term programme in the field of power industry. The programme states the prospects of co-operation in construction of thermal and hydro power stations, transmission lines, workshops for repair of power equipment, maintenance, repair and modernization of power projects, implementation of such projects in the third countries.

At present V/O "TPE" is rendering assistance to SAARC countries in setting up thermal power stations by supply of reliable and efficient in operation power units with 210 MW capacity, which proved to be giving excellent performance in the local conditions. For instance, V/O "TPE" is participating in construction of the Vindhyachal TPS in India with a capacity 1260 MW (six 210 MW units) and carrying out design work on construction of the Kahalgaon TPS with a capacity 840 MW (four 210 MW units). In 1980 a 210 MW power unit was put into operation at the Guddu TPS in Pakistan, there also started design work on the Multan TPS with a capacity 630 MW (three 210 MW units).

Power industry is the most important sphere of the Soviet-Bangladesh economic and technical co-operation. For a number of years V/O "Technopromexport" and the BPDB have been fruitfully co-operating in this field. The first stage of the Ghorasal TPS with a capacity 110 MW (two 55 MW units) has been operating reliably since 1976.

Commissioning of the largest in Bangladesh power unit No. 3 with a capacity 210 MW is a tangible contribution to overcoming power hunger and to the overall development of the country's economy. It allowed to increase the generation of electricity in Bangladesh by almost 20%.

V/O "Technopromexport" has carried out design work, supplied equipment and materials, deputed Soviet experts to render technical assistance in the implementation of this project. For the first time in Bangladesh local organizations and firms with the help of Soviet experts have fulfilled a large scope of complicated works on construction and erection of the unit of such a capacity.

With participation of Soviet experts the training of the local personnel was organized at the site, as well as at the Power Training Centre of the Ghorasal TPS. A group of Bangladeshi specialists has been in the USSR on Vocational training at a thermal power station in the Soviet Republic of Moldavia. Taking part in the construction, erection and adjustment work local engineers and workers gain valuable experience and improve their skills, which then will be used for construction of other power units.

At present there started civil work on construction of the next unit No. 4 with a capacity 210 MW. About 80% of all the required equipment and materials have already come from the USSR.

The Soviet organizations have also completed the Detailed project Report for unit No. 5, which is under consideration of the BPDB. After commissioning of these units

the capacity of the Ghorasal TPS will be increased up to 740 MW and it will become one of the biggest in South Asia.

There are favourable possibilities for further expansion or co-operation between our countries in the field of power sector. There has been reached an understanding on possibility of co-operation in construction of the next unit (No.6) with a capacity 210 MW at the Ghorasal TPS. A technical offer for construction of a new power station with a capacity 420 MW has been handed over to Bangladeshi organisations for consideration. At present, possibilities of establishing co-operation in the expansion of transmission and distribution system are also being considered.

/13046

CSO: 4600/1385

FRESH DATE FOR CHOWDHURY MOSCOW VISIT UNDER CONSIDERATION

Dhaka THE BANGLADESH OBSERVER in English 18 Jan 87 p 1

[Text]

Fresh dates are being set for the visit of Foreign Minister Mr. Humayun Rasheed Chowdhury to Soviet Union.

The Foreign Minister was scheduled to visit Soviet Union from December 25 to December 31 last but the trip was put off due to the extension of General Assembly session of the United Nations of which Mr. Chowdhury is the current president.

Dhaka and Moscow are in constant touch to reschedule the visit. Dhaka has already informed that it was willing to undertake the trip at a mutually convenient date.

Soviet Foreign Minister Eduard Shevernadze will remain busy in the coming weeks and so will Foreign Minister Mr. Humayun Rasheed Chowdhury.

The Bangladesh Foreign Minister is now in Kathmandu and will accompany President Ershad to Kuwait for the OIC Summit confer-

ence beginning there from January 26. He will come back to Dhaka to receive the Canadian Foreign Minister who will be arriving on January 31. Mr. Chowdhury will also make some visits in his capacity as the President of UNGA.

The present cold wave in the Soviet Union, said to be worst in recent memory, is also acting as a damper to the visit.

Both Dhaka and Moscow are expectantly looking forward to the reopening of a dialogue between the two countries. The relations between Soviet Union and Bangladesh cooled off since the changeover in August 1975. There has since then been no contact between the countries at the ministerial level.

Great importance is being attached to the visit of Foreign Minister to the Soviet Union. Besides, the resumption of dialogue the visit will also see signing of several agreements between the two countries.

/13046

CSO: 4600/1382

INDIAN TRANSIT VESSELS FAIL TO PAY FEES

Dhaka THE NEW NATION in English 20 Jan 87 p 1

[Article by Monowar Hossain]

[Text]

Indian vessels plying between West Bengal and Assam through Bangladesh rivers do not make regular payment of various charges and port fees.

The non-cooperative attitude of the Indian vessels in matters of payment is frustrating the spirit of the inland trade and transit protocol signed between the two SAARC countries.

According to the protocol, Indian vessels are to pay conservancy, pilotage and canal toll and other fees at different inland ports while passing through Bangladesh rivers. But on many occasions, the vessels did not pay the charges. The outstanding dues of such charges are learnt to have totalled over Tk. 15 lakh.

The protocol allowing Indian cargo vessels to pass through Bangladesh was signed in November 1972. Later, it was renewed several times, the latest in October 1985 for a period of one year. After the expiry of the protocol in October 1986, it was being extended on monthly basis. According to a competent source this has given rise to a situation of deferring payment of annual transit fees to Bangladesh.

The Indian vessels enter and pass off through Sheikhbaria

point in Sathkhira, Chilmari point in Kurigram and Jakiganj point in Sylhet districts. In the transit, the vessels ply through Sheikhbaria-Chalna-Barisal-Chandpur-Artich-Seraganj-Chilmari and Sheikhbaria-Chalna-Barisal-Chandpur-Narayanganj-Bhairab Bazar-Ajmeriganj-Penchuganj-Jakiganj routes. The BIWTA regularly maintains and conserves three portions of the routes (Shekbaria-Chalna, Seraganj-Chilmari and Jakiganj-Karimgani) which are primarily used by Indian vessels.

During the last three and a half years, there had been a steady increase in the movement of Indian vessels through these routes. In 1983-84, 219 voyages by Indian vessels were monitored. In 1984-85 the number of voyages was 245 and in 1985-86 it rose to 306. During the first six months of the current fiscal year 1986-87 voyages were recorded. Relevant agencies anticipate that the number will go well above by the end of June next.

The Indian vessels plying through Bangladesh rivers are strongly built and medium to big sized carrying heavy cargo. Almost all the vessels carry their own guards.

/13046

CSO: 4600/1384

REPORT ON JOINT COMMISSION MEETING WITH SAUDIS

Dhaka THE NEW NATION in English 19 Jan 87 pp 1, 8

[Text]

Bangladesh will receive a loan of 50 million riyals equivalent to 15 million dollars from Saudi Arabia for rural electrification programme reports BSS.

This was decided at the fifth session of Joint Commission of the two countries which concluded in Dhaka yesterday.

Saudi Arabia also agreed to consider in due course a number of Bangladesh proposals for financing projects in the sectors of agriculture, industry and infrastructure during the two-day deliberations of the meeting.

The meeting which reviewed the entire gamut of bilateral cooperation resolved to undertake identical measures for narrowing down the existing trade gap between the two countries. It also reviewed the ongoing projects and underlined that progress of some of the projects needed careful monitoring.

Finance Minister M. Syedurazzaman and the visiting Saudi Deputy Minister for Finance and International Development Cooperation Dr. Osama J. Faquih signed an agreed minute after the concluding session on behalf of their respective countries.

After signing the agreed minute, Dr Faquih said Saudi Arabia would consider Bangladesh proposal for financing of Multi-purpose Jamuna Bridge

Project. He said Saudi Arabia would continue to follow the development of the project and if necessary lend its support for mobilising fund for project through regional and international channels apart from the bilateral one.

The Saudi Deputy Minister said there existed a better understanding and constructive cooperation programme between his country and Bangladesh. He said Saudi Arabia appreciated the efforts taken by Bangladesh Government to improve the living standard of the people.

Dr. Osama said economic cooperation extended to Bangladesh by Saudi Arabia was wisely used. The New loan proposal put forward by Bangladesh would be considered in the near future, he said.

Mr. Syedurazzaman said the agreed minute truly reflected positive spirit of cooperation that existed between the two countries.

The Finance Minister welcomed the keen interest shown by Saudi Arabia for increasing manpower export from Bangladesh.

He said the deliberations of the meeting also reflected Bangladesh concern for effective utilisation of aid channelled to the country and for speedier implementation of the projects.

/13046

CSO: 4600/1383

JOINT COMMISSION WITH BELGIUM MEETS IN DHAKA

Dhaka THE NEW NATION in English 14 Jan 87 pp 1, 8

[Text]

Belgium will provide a rent-free space for establishing a display stand for Bangladeshi products in Brussels to facilitate the promotion of Bangladesh exportables in Europe, reports BSS.

The offer was made during the four-day third Joint Commission meeting of Bangladesh and Belgium which concluded here yesterday agreeing on the scopes for the enlargement of existing cooperation in the field of aid, trade and investment between the two countries.

A press release, issued after the signing of an agreed minute at the concluding session of the meeting, said the display stand for Bangladeshi products will be located at the celebrated Ansapach centre in Brussels.

The agreed minute was signed by Finance Minister Mr M. Syeduzzaman and the visiting Belgian Secretary of State for Development Cooperation, Mr Andre Kempinaire, on behalf of their respective countries.

The press release said the Joint Commission reviewed the progress of implementation of the agreements reached during the second session of the Joint Commission held in November 1983 in two working groups and explored new areas for extending mutually beneficial cooperation in the fields of aid, trade and investment.

The two aides expressed satisfaction at the existing friendly relations between Bangladesh and Belgium which have continued to develop harmoniously.

During the meeting Bangladesh put forward some new project proposals for consideration of financing with Belgian assistance and the Belgian side agreed to finance the balancing, modernisation and rehabilitation of Usmania Glass Sheet Factory, an unit for production of surgical and medical instruments, modernisation of one district hospital, establishment of one nurses training centre and establishment of one new upazilla health complex.

The Belgian side also offered commodity assistance for health and energy sectors to be negotiated later on.

The Bangladesh delegation suggested some areas for direct equity investment and also explained the recent measures taken for liberalization of industrial policy which is congenial for promotion of direct foreign investment.

The Belgian side expressed their appreciation of these measures and agreed that there was a scope for direct Belgian investment in Bangladesh.

Mr. Andre Kempinaire, left Dhaka yesterday after a five-day visit to Bangladesh.

Speaking on the occasion Mr. Kempinaire described the deliberations of the Joint Commission as 'very fruitful' and said 'this confirms our intention for further strengthening the cooperation between the two countries.'

He said from now on the joint commission would meet annually for consultation.

/13046

CSO: 4600/1388

SHANTI BAHINI REPORTED FOILING REPATRIATION EFFORTS

Dhaka THE BANGLADESH OBSERVER in English 17 Jan 87 pp 1, 8

[Text]

CHITTAGONG, Jan. 16:—The repatriation of Chakmas is said to have foiled due to manoeuvre of outlawed Shanti Bahini intrigued with some Indian officials.

The Shanti Bahini ostensibly in league with them are understood to have wilfully perpetrated the situation to become a hotbed. Their heinous design manifested on Wednesday night when they opened unprovoked gunfires from Indian side under the alleged cover of BSF at Tabalchhari border point. The gunfires continued for the whole night so that the Shanti Bahini with the help of these officials find a pretext to frustrate the repatriation through Tabalchhari.

The Bangladesh and Indian officials following the refusal of tribals to turn up for repatriation immediately went into discussion that continued for over four hours on Indian soil under a tent overlooking Feni river. While the Khagrachhari Deputy Commissioner Mr Khorshed Ansar Khan headed the six-member Bangladesh team Indian team was headed by Udaypur District Magistrate, Mr. D. Prakash. In the discussion Udaypur District Magistrate was apparently a little keen to see the repatriation to take place. But the Indian Border Security Force officials and intelligence officials reportedly showed apathy for sending back the tribals. The attitude of BSF officials obviously corroborated the reasons of the previous nights' heavy gunfires from across the border.

Giving the reaction on the atti-

tude of Indian side, a tribal leader, Mr. Kejochai Marma, said that the Leftist Government in Indian Tripura state have been holding the Bangladesh refugees to internationalise the issue. He said some powerful leftist elements are in intrigue with the so-called Shanti Bahini to undo the repatriation.

In recent series of meetings between the tribal leaders of the two countries at Joychandra Bari of India and Asalong of Bangladesh the tribal refugee leaders privately confided their agony and sufferings to their fellow leaders from Bangladesh. One of these tribal leaders who preferred to remain anonymous narrated that situation to this correspondent at Matiranga upazila headquarters. The tribal leader asserted that the refugees compelled to stay back in India in inhuman condition.

Mr. Rafiqul Islam, Chairman of Tabalchhari Union Parishad, also claimed that the Tripura State Government have been intentionally overruling the repatriation accord that reached between the Indian Central Government and Bangladesh government.

The Tripura State officials on the contrary put up fresh figure of three thousand refugees in a addition to previous 24 thousand refugee. The fresh figure is also a manoeuvring move to show that the uneasy situation is prevailing in Chittagong Hill Tracts. It is a hoax to put up inflated figure of refugees when they disagree to send them back, said a Bangladeshi official.

/13046

CSO: 4600/1380

ERSHAD APPROVES JATIYA COUNCIL MEMBERSHIP

Dhaka THE BANGLADESH OBSERVER in English 23 Jan 87 pp 1, 12

[Text]

President H.M. Ershad, who is also the Chairman of Jatiya Party approved the national Executive Council with himself as the Chairman and Major General (Retd) Mahmudul Hassan as Secretary General.

The new Committee will have 11 vice-chairmen. They are Justice A.K.M. Nurul Islam, Mizanur Rahman Chowdhury, Maudud Ahmed, Dr. M.A. Matin, Kazi Zafar Ahmad, Shah Moazzem Hossain, Serajul Hossain Khan, Salauddin Kader Chowdhury, A.K.M. Mayeedul Islam, Korban Ali and Anwar Hossain Manju.

The four Joint-Secretary Generals are Zafar Imam, Mustafa Zamal Haider, T.M. Giasuddin Ahmed and Manjur Kader.

Manzur Khan has been made Treasurer of the new committee.

The Organising Secretaries are A.F.M. Reazul Huq Chowdhury, Khaledur Rahman Tito, Harunur Rashid and Ibrahim-bin-Khalil.

Joint Organising Secretaries are Nurul Islam Talukdar, Manir Hossain Molla, Aminur Rahman Jinnah and Shah Mohammed Morshed Alam. Office Secretary—Tajul Islam Chowdhury and Joint office Secretary—Abdur Rahman.

Publicity secretary-Mahbubul Huq Dolon, Agriculture secretary-Ruhul Amin Howladar, Joint Agricultural Secretary, Azad Sultan,

Cooperative Secretary-Begum Hasina Banu Shirin, Joint Cooperative Secretary-Shahid Ahmed Khondakar, Sports and Cultural Secretary-Sheikh Shahidul Islam, Joint Sports and Cultural Secretary-Major (Retd) Hafizuddin Ahmed, Education and Student Affairs Secretary-Golam Sarwar Milan, Joint Education and Student Affairs Secretary Farid Ahmed, Information and Research Secretary Zahjruul Islam, Joint law Affairs Secretary-Advocate Mobarak Ali, Youth Affairs Secretary-M.H. Khan Manju, Joint Youth Affairs Secretary-Ismail Hossain Bengol, Labour and Industrial Secretary-Mr. Hassanuddin Sarkar, Women Affairs Secretary-Prof. Numme Kawser Salma Sanil, Family Planning and Population Control (EPPC) Secretary-Nurul Amin Khan Pathan, Joint Secretary-(EPPC) Akkas Ali Miah, International Affairs Secretary Wazed Ali Khan Panni, Joint International Affairs Secretary-Sina M.A. Sayeed, Social Welfare Affairs (SWA) Secretary Rahmat Ullah, Joint Secretary (SWA) Shamin-ul-Mamun, Literary and Cultural Affairs Secretary Mahmudur Rahman Chowdhury, Joint Secretary Cultural Affairs-Azmal Huda Mithu.

Harunur Rashid MP has been made Political Secretary to the party Secretary General.

/13046

CSO: 4600/1386

PAPER INTERVIEWS AWAMI LEAGUE PRESIDENT HASINA

Dhaka THE NEW NATION in English 17 Jan 87 p 1

[Article by Munshi Haroon]

[Text]

FARIDPUR, Jan 16 : The Awami League will participate in the winter session of the Jatiya Sangsad (Parliament) beginning on January 24.

This was said by party President Sheikh Hasina in an interview with The New Nation at the Circuit House here today.

The AL chief who is the leader of the opposition in the Parliament said that since martial law had been lifted from the country, there was no reason to keep away from the Parliament session. We are going to attend it, she added.

Sheikh Hasina was here on her way back to Dhaka on conclusion of a 4-day visit to Khulna, Gopalganj and Faridpur districts.

Asked about her party's future course of action, the AL

chief said the movement for realisation of the rights of the people and establishment of a democratic order would continue till victory was achieved. Politics of her party was aimed at the welfare of the masses and for this a representative government was a must, she said. Her party never cared for what those in power thought of it but valued only the opinion of the people, she added.

Asked about students politics Sheikh Hasina said while on the one hand, the government banned political meetings at educational institutions, the ministers were visiting those to announce grants. She termed this as playing of double standard and said the people could not be fooled this way.

/13046

CSO: 4600/1381

BRIEFS

NEW HUNGARIAN ENVOY--The Hungarian Ambassador designate to Bangladesh Mr Jozsef Olah presented his credentials to President Hussain Muhammad Ershad at Bangabhaban on Tuesday, reports BSS. Presenting the Letter of Credence, the new Hungarian envoy expressed the confidence that the existing friendly relations between Bangladesh and Hungary will continue to grow further in the coming days. Reciprocating the sentiments, President Ershad assured Mr Jozsef Olah of all possible cooperation of his Government in discharge of his duties. [Text] [Dhaka THE BANGLADESH OBSERVER in English 21 Jan 87 p 12] /13046

JCD LEADER HOSPITALIZED--The General Secretary of Jatiyatabadi Chattra Dal (JCD) Mahbubul Huq Bablu was admitted to Holy Family Hospital on Monday. He was injured in a road accident. Begum Zia went to see him. [Text] [Dhaka THE BANGLADESH OBSERVER in English 13 Jan 87 p 8] /13046

HINDU DENIED VISA--Mr. Manindra Nath Sarker, Chairman, Bangladesh Hindu Oikya Front in a statement on Wednesday said that despite submission of his passport and relevant papers he was not issued visa by Indian High Commission in Dhaka. He was scheduled to lead a two-member delegation to a conference marking the 75th founding anniversary of African Anti-Racial Movement in New Delhi beginning from today (Thursday). He further stated that the relevant officials questioned him about his part and reasons for its participation in the May 7 Parliamentary polls. He was given interview by the First Secretary on Wednesday and showed reasons of lapses in his passport for not issuing the visa. [Text] [Dhaka THE BANGLADESH OBSERVER in English 8 Jan 87 p 8] /13046

AMBASSADOR TO ROK--The government have decided to appoint Saiyid Ahmad Mahmood, Secretary, Ministry of Home Affairs, as Ambassador of Bangladesh to the Republic of Korea, the Foreign Office announced on Saturday, reports BSS. Saiyid Ahmad Mahmood was born on April 28, 1930. He graduated from Dhaka University in 1953. He joined erstwhile police service of Pakistan in 1955. He was appointed an Additional Secretary in the Ministry of Agriculture in 1981. He was promoted as Secretary to the Government of Bangladesh in 1983. He was Secretary, Ministry of Food from June 1984 to December 1984 and Secretary Ministry of Agriculture from July 1985 to June 1986. He was appointed Secretary, Ministry of Home Affairs in June 1986. He is married and had two sons and two daughters. [Text] [Dhaka THE BANGLADESH OBSERVER in English 4 Jan 87 p 12] /13046

COMMUNIST LEADER DIES--A leading member of the Communist League of Bangladesh Afroz Khan Eusufjai died of heart attack on December 26 at his home in Pachcharan village of Kalihati upazila in Tangail district. He was 45. Afroz Khan played a pioneering role in the progressive student movement of the country in the sixties. During that period he was a central leader of the then East Pakistan Students Union. In the post-independent Bangladesh during the reign of Sheikh Mujibur Rahman and Ziaur Rahman he was physically tortured and imprisoned several times for his opposition to those regimes. He was involved in organizing Communist League in Tangail district until he breathed his last. His death cast a pall of gloom among all sections of people in Tangail district. The Communist League held a mass condolence meeting at Kalihati on January 7 which was largely attended. [Text] [Dhaka HOLIDAY in English 9 Jan 87 p 3] /13046

NEW ISLAMIC ORGANIZATION--A new political organisation titled "Progressive Islamic Council" was formally launched yesterday with Moulana Mohammad Sadeq as its convenor. Addressing a press conference at Jatiya Press Club yesterday afternoon Moulana Sadeq said that the main objective of the new organisation was to free Islam from the clutches of whom he termed some 'traders of Islam' in the country. The organisation would also work for social and economic welfare of the people of the country, he said. About the political change over of August 14, 1975 in which Sheikh Mujibur Rahman was killed Moulana Sadeq said 'in Islam, all sorts of killing are considered sin. He told a questioner Sheikh Mujibur Rahman's name would always top the list of those who contributed to the creation of Bangladesh. [Text] [Dhaka THE NEW NATION in English 20 Jan 87 p 8] /13046

BRITISH GRANT--Bangladesh will receive a grant of 45 million sterling pound (Taka 198 crore approximately) from Britain under an umbrella project agreement signed in Dhaka yesterday, reports BSS. The grant amount would be allocated to specific projects to be mutually determined by the two governments, according to a press release. The agreement was signed by Mr. M.K. Anwar, Secretary, External Resources Division and Mr. A.F. Blake-Pauley, Acting British High Commissioner in Bangladesh on behalf of their respective governments. With the signing of this agreement the total project assistance committed to Bangladesh by the British Government since liberation comes to 270,080 million sterling. Besides project assistance, the British Government have also provided substantial amount of commodity, food and technical assistance to Bangladesh. [Text] [Dhaka THE NEW NATION in English 15 Jan 87 p 1] /13046

COMMUNIST LEADER ILL--CPB General Secretary Mohammad Farhad had a heart attack at 10 a m yesterday. He was immediately taken to Suhrawardy Hospital where he was kept in the intensive-care unit. He is under treatment of Brigadier Dr. Malek. [Text] [Dhaka THE NEW NATION in English 11 Jan 87 p 8] /13046

DENIAL ON WAQF--The Government has denied that it has any plans to nationalise the waqf property, reports BSS. An official press release yesterday said that Government's attention has been drawn to a news item that "waqf estate will be nationalised." The Government likes to make it clear that there was no such proposal under consideration. [Text] [Dhaka THE NEW NATION in English 8 Jan 87 p 1] /13046

AMBASSADOR TO DENMARK--The government has decided to concurrently accredit Major General (retd) K M Shafiullah, at present Ambassador of Bangladesh to Sweden, as the country's Ambassador to Denmark, a Foreign Office announcement yesterday said, reports BSS. [Text] [Dhaka THE NEW NATION in English 4 Jan 87 p 3] /13046

INDONESIAN ENVOY'S CREDENTIALS--The Ambassador Designate of Indonesia, Mr Mohammad Achirul Aen presented his credentials to President Hussain Muhammad Ershad at Bangabhaban Tuesday morning report BSS. Presenting his letter of credence the new Indonesian Envoy expressed his confidence that the existing friendly and brotherly relations between Bangladesh and Indonesia who grow strength to strength in the days to come. Reciprocating the sentiment President Ershad assured the Indonesian Ambassador of full cooperation of his government in discharge of his responsibilities during his tenure of office in Bangladesh. Earlier, on arrival at Bangabhaban, Mr Mohammad Achirul Aen was given a guard of honour by a smartly turned out contingent of the President's Guard Regiment. He took the salute and inspected the guard. [Text] [Dhaka THE NEW NATION in English 25 Dec 86 p 3] /13046

QATAR MANPOWER PACT--An agreement on manpower movement from Bangladesh to Qatar has been signed in Dhaka on Wednesday, said an official Press release, reports BSS. Bangladesh Labour and Manpower Minister Mr. A. Rashid Engineer and Qatar Labour and Social Affairs Minister Mr. Ali Ahmed Al-Ansari signed the agreement on behalf of the respective governments. [Text] [Dhaka THE BANGLADESH OBSERVER in English 1 Jan 87 p 1] /13046

ERSHAD HOSPITAL STAY--President Hussain Muhammad Ershad was released from hospital on Wednesday morning, reports BSS. The President who was admitted to the Combined Military Hospital in Dhaka on Thursday last, underwent a corrective surgery for deviated nasal septum the same day. After the release, the President paid short visits to the President's Secretariat and the Bangabhaban and met his personal staff. Meanwhile, doctors have advised President Ershad complete rest for a few days more at his residence, a presidential spokesman told BSS. [Text] [Dhaka THE BANGLADESH OBSERVER in English 1 Jan 87 p 12] /13046

BORDER KILLING--Two Bangladeshi citizens were killed and one was injured seriously following an attack by the Indian goalas (milkmen) at village Hanshpukur (Dhoniapara) under Bholahat Upazila on Tuesday last. According to reports, nearly 50 Indian goalas equipped with deadly weapons trespassed into the Bangladesh territory near Alalpur maidan under Bholahat Upazila and killed two brothers named Abdul Malik (32) and Ayub Ali (22) who were cultivating boro paddy in their land. The murderous Indian goalas also took away head of the victim Abdul Malek (32). A case has also been registered with Bholahat Police station in this connection and the bodies of the victims were sent to Nawabganj Sadar Hospital for post mortem. It may be mentioned here that on the day of the occurrence, the commanding office of 12 Rifles Battalion of Bangladesh Rifles met the Commander of BSF of India in flag meeting and demanded back the cut head of the victim Abdul Malek and also exemplary punishment of the miscreants. The BDR Sector Commander, Rajshahi also visited the place of occurrence. [Text] [Dhaka THE BANGLADESH OBSERVER in English 23 Jan 87 pp 1, 12] /13046

PUNJAB CHIEF MINISTER REACTS TO GANDHI REMARKS

Madras THE HINDU in English 22 Jan 87 p 1

[Text] The Punjab Chief Minister, Mr. Surjit Singh Barnala today took exception to the "aspirations" cast on his honesty and sincerity by the Prime Minister, Mr. Rajiv Gandhi, at his press conference in New Delhi yesterday.

Regretting the Prime Minister's remarks, Mr. Barnala told a press conference that he would not pay him back in the same coin. As the sole survivor of the two signatories to the Rajiv-Longowal Punjab accord, the Prime Minister was honest about implementing it, he said adding that both the Centre and the Akali Dal Government in the State were bound to implement it in letter and spirit.

Careful with words

Today's press conference was called specially to rebut the "insinuations" made against the Chief Minister and his Cabinet colleagues by the Prime Minister. Mr. Barnala, however, avoided using any "harsh expression" against Mr. Gandhi or the Centre or any Union Minister. He was very careful in the choice of his words and refrained from attacking the Centre although he made the point that he did not get from the Centre the political support to the extent he deserved.

Mr. Barnala said the State Cabinet reviewed the Prime Minister's statements on Punjab earlier in the day and felt that the Union Home Ministry had not briefed him properly. As a result, some of the remarks made by Mr. Gandhi did not reflect the facts, he said, however parrying questions whether the Union Home Minister, Mr. Buta Singh, was to blame for the improper briefing.

Punjab accord

The Chief Minister, like the Prime Minister did yesterday, read out the Punjab accord clause by clause and ticked all except clauses 7 and 9 as having been implemented fully or partially. On Clause 5 of the accord, regarding the All-India Gurdwara Act, he said the Centre had with it a report of the Punjab Government, sent by the Badal Ministry in 1978. This had not been brought to Mr. Gandhi's notice. The present State Ministry too had finalised a draft on

the Gurdwara Act, which would be sent to the Centre shortly.

On Clause 1 of the accord, he said the compensation to riot victims had been paid by his Government although his earlier impression was that the Centre would foot the bill—now totalling Rs. 5 crores. Punjabis had been recruited to the armed forces but not to the extent they should have been absorbed on the basis of merit.

The State Government was bound by all the clauses and terms of the Punjab accord, as applicable to the Eradi Commission on transfer of Punjab areas to Haryana, in lieu of Chandigarh. It would accept the Commission's verdict if it adhered to the terms of reference, which were an exact copy of the relevant clauses in the Rajiv-Longowal accord.

In this context, he referred to the Venkataramaiah Commission awarding 70,000 acres of Punjab territory to Haryana, saying in terms of the accord "this territory has to be Hindi-speaking and contiguous to Haryana." By omitting these parameters, the Venkataramaiah Commission had gone beyond the accord and for that reason his Government did not accept it, Mr. Barnala said. Hence it had also opposed the Desai Commission for identifying the areas to be transferred to Haryana.

Commission not appointed

Another commission which was to be appointed to re-demarcate the boundaries of Punjab and Haryana on the basis of linguistic affinity and contiguity under Clause 7(4) of the Punjab accord had not been appointed, yet, the Chief Minister said. Under this clause, a large territory would come to Punjab. The appointment of this commission could facilitate the work of the Eradi Commission, under Clause 7 (2). He was opposed to entrusting both territorial issues to the same commission.

The State Government had acquired the land required for the Sutlej-Yamuna Link (SYL) canal, which had not been done all these years. The work was proceeding apace although he could not say when it would be completed.

Mr. Barnala rebutted the Prime Minister's charge that some of the State Ministers were

involved with terrorists and extremists. This was a far-fetched conclusion based on the arrest of the son of the P.A. of Mr. Major Singh Uboke, Revenue Minister. The terrorists had killed Mr. Uboke's brother-in-law and raided the farmhouse of his son.

Giving a clean-chit to all his Cabinet colleagues, the Chief Minister said he had enquired into the charges, earlier made by others. After Mr. Gandhi brought these to his notice, he probed them again and found no substance in these "wild allegations".

The Chief Minister claimed the State Government was taking effective steps on the law and order front. The Centre had given valuable support by providing para-military forces, though the State paid for their services. More such forces were needed in the State. However he wanted replacements of those units which had long stayed in Punjab.

Political support

The State country was in difficulty because of the law and order situation in Punjab. He said everyone in the country should support "our relentless struggle for unity and integrity of India". The Punjab problem had economic, social and political dimensions as well. "We deserve the political support of all people and parties and of the Central Government to remove irritants" like the future of the Army deserters, Jodhpur detenus and healing the Sikh psyche. "My rivals try to make use of these irritants", he said.

/13104

CSO: 4600/1426

INDIA, FRG TO COOPERATE IN NEW SATELLITE LAUNCHING

Madras THE HINDU in English 22 Jan 87 p 9

[Text]

As a further major milestone in the two decade-old cooperation between the Indian Space Research Organisation (ISRO) and the Federal Republic of Germany (FRG), the Second ASLV will place in orbit during 1988, the Monocular Electro Optic Stereo Scanner (MEOSS) payload developed by the German Aerospace Research Establishment on the ISRO's second-stretched Rohini Satellite (SROSS-2).

ISRO said here today that under this co-operation, a few balloon experiments relating to the atmospheric sciences had been successfully completed. Preparations were underway for a joint rocket experiment to study "Spread-F phenomena" in the ionosphere (a part of the upper atmosphere of earth with its base between 70-80 km from earth).

The DFVLR (the German Aerospace Research Establishment) is also extending telemetry and tracking support for the SROSS-1 satellite mission scheduled for launch by ISRO through ASLV during March/April 1987.

The cooperation between the two agencies, which is considered a good example of international cooperation, has evolved effective management mechanisms including periodic reviews to ensure successful results. The programme is reviewed annually by the chairman of the two organisations.

Joint studies identified: A detailed review took place during January 19-21 in Bangalore. The DFVLR team was led by its Chairman, Prof. H. L. Jordan and the ISRO team by its Chief Prof. U. R. Rao. Besides reviewing the progress of MEOSS mission, rocket experiments, etc., a number of joint studies which could lead to cooperative efforts with long-term goals, have been identified in remote-sensing, Satellite communication, large space structures and systems, studies on space-borne lidar, synthetic aperture radar and other optical systems, are some major examples.

Both the teams were satisfied with the progress of work so far and looked forward to further strengthening of the cooperative efforts. An ISRO pressnote said.

/13104
CSO: 4600/1426

PAPER COMMENTS ON DEFENSE MINISTER APPOINTMENT

New Delhi PATRIOT in English 25 Jan 87 p 1

[Text]

Effecting a significant change, Prime Minister Rajiv Gandhi late Saturday night shifted Finance Minister V P Singh to Defence, placing the crucial portfolio under a full Cabinet Minister for the first time in 16 months.

Simultaneously, the Prime Minister assumed the charge of Finance, and brought in Minister of State for Petroleum and Natural Gas Brahm Dutt to assist him together with Minister of State for Finance Janardhan Poojary.

The change, announced by a Rashtrapati Bhavan communique, while responding to the necessity of day-to-day stewardship of the Defence Ministry in the face of recent developments, is recognition of Mr V P Singh's high competence and integrity.

The deterioration in the country's security environment has required that full-time political attention is paid at high level to ensure that the armed forces are in a state of preparedness to meet any threat and challenge to the nation.

The Prime Minister in recent past had initiated several steps to gear up the country's preparedness and meet the necessities of security considerations.

Among these have been the introduction of a new system of monitoring and evaluation of security issues and related matters, steps to impart an impetus to indigenous research and development, particularly in the defence fields, and streamlining of the functioning of different Services and bringing about effective coordination among them.

The series of measures have required systematic follow-up and a high-level political guidance on a

continued and sustained basis. Mr V P Singh's shifting to the Defence Ministry is expected to ensure in-depth supervision of all these areas.

The change-over will also facilitate release of the Prime Minister, who was keeping the overall defence charge, for his other multifarious duties which might make heavy demands on his time and attention.

Though to an extent, the tense situation on the Indo-Pakistan border appears to be moving towards being defused with bold and timely steps, detailed work would still have to be done to ensure that proper arrangements are worked out towards this end. This obviously will need a Cabinet level guidance.

During the past two days, decisions pertaining to deployment of troops in the forward defensive positions in Punjab were taken by the Cabinet Committee on Political Affairs.

While vital decisions affecting the security of the country will, obviously, continue to be taken by the Prime Minister, Mr V P Singh's appointment now would attend to routine, day-to-day guidance of the Ministry. The last Minister with Cabinet rank in the Defence Ministry was Mr P V Narasimha Rao in September 1985.

The Prime Minister's decision to personally look after the Finance portfolio will ensure that the war against corruption which he had declared as his Government's fundamental policy, will continue with unabated vigour.

By deciding to draft Mr Brahm Dutt to assist him in the Finance Ministry Mr Rajiv Gandhi has obviously tapped experience, knowledge and familiarity with the subject of a man who for years had worked as the Finance and Planning Minister in Uttar Pradesh.

STATISTICIANS PREDICT 3.9 PERCENT ANNUAL GROWTH RATE

Calcutta THE TELEGRAPH in English 22 Jan 87 p 6

[Text]

New Delhi, Jan. 21 (PTI): The overall economic growth rate in the country during the past 15 years ending 1985-86 (the inaugural year of the Seventh Plan) has been 3.9 per cent per annum, according to official figures.

An analysis of the figures put out by the latest Central Statistical Organisation (CSO) quick estimates of national income reveal that the tertiary sector comprising services has, of late, been emerging as a significant contributor to the gross national product (GNP), based on 1970-71 constant prices.

Services sector,* which accounted for 31 per cent in 1970-71 now account for 41 per cent.

This improved performance of the services sector steams from a more-than-average growth of 5.9 per cent per annum posted by the tertiary sector, which is much above the overall GNP growth of 3.9 per cent per annum.

Within the services sector, major contributor to the growth momentum was by public administration and defence, which grew at an average annual rate of 9.3 per cent between 1970-71 and 1985-86, followed by banking and insurance at 8.3 per cent, transport (other than Railways) at 7.9 per cent and communications at seven per cent per annum.

Primary sector, which includes quarrying and mining, besides agriculture and allied activities

and reckoned as the nation's mainstay till late 1960s, has lost its share from 48.5 per cent in 1970-71 to about 37 per cent of the GNP in 1985-86.

The shrinking share of the primary sector in GNP over the 15 years could be ascribed to the abysmally dismal performance of two per cent per annum posted by this sector.

Within the primary sector, agriculture and allied activities fared poorly at an average annual growth rate of 1.91 per cent, while mining and quarrying category posted a respectable growth of 5.6 per cent per annum.

The state of the secondary sector comprising manufacturing, electricity, gas and water supply and construction, has been on a stable wicket over the 15 years, with the pace of growth remaining higher than the overall trend rate of growth of the economy. This sector has raised its share in GNP from 20.7 per cent in 1970-71 to 21.9 per cent in 1985-86.

The average annual rate of secondary sector was 4.3 per cent. Within the secondary sector, electricity, gas and water supply logged an average annual growth rate of 7.10 per cent, while construction industry posted a poor two per cent growth per annum. Manufacturing, which is the mainstay of the secondary sector, registered an average annual growth rate of 4.6 per cent.

/13104

CSO: 4600/1425

BRIEFS

ENVOY TO CAMEROON--Mr. Deb Mukharji, high commissioner of India to Nigeria, has been concurrently accredited ambassador of India to the republic of Cameroon with residence in Lagos, it was officially announced here today. [Text] [Bombay THE TIMES OF INDIA in English 22 Jan 87 p 9] /13104

DALAI LAMA PRESS CONFERENCE--The Dalai Lama has ruled out the possibility of his paying a visit to China in the near future. He, however, said that he was "watching the situation carefully as things there at the moment are not very clear". Addressing a press conference here today the 52-year-old Tibetan leader stressed the need for world peace and universal brotherhood. This, he felt, was the only way of saving mankind from a nuclear holocaust. The Dalai Lama is on a short visit to the capital to participate in the sixth "dharma celebration" organised by the Tushita Mahayana meditation centre. The spiritual leader will give a public discourse and offer "abhisheka". Replying to a question, the Dalai Lama said that Tibet "has been occupied physically by the Chinese but not mentally". The people and youth in Tibet were still firmly attached to Buddhism, which was against all forms of violence and taught man to realise inner peace, he said. Regarding the condition of some 100,000 Tibets in India, the Dalai Lama said that they were living very happily and were well-employed. [Text] [Bombay THE TIMES OF INDIA in English 18 Jan 87 p 3] /13104

KERALA ELECTION DATE--The Kerala chief minister, Mr. K. Karunakaran, has announced that the elections to the state assembly will be held by March 15. Mr. Karunakaran told newsmen here today that a newly-elected government will present the budget. The exact dates will be fixed in consultation with the election commission, leaving sufficient time for the new government to prepare the budget. The chief minister, whose party heads the United Democratic Front in the state, ruled out a merger of other parties of the front with the Congress. He maintained that there was no merger discussions with any party. However, Mr. Karunakaran said his party would welcome individuals and groups that came forward to join the Congress. In another development, a meeting of the Kerala Congress leaders supporting Mr. K. M. Mani, has passed a resolution against the alleged move of Mr. Mani to merge the party with the Congress. [Excerpt] [Bombay THE TIMES OF INDIA in English 12 Jan 87 p 1] /13104

BRITISH RADARS PURCHASED--India has ordered 14 Super Marec (maritime reconnaissance) radars from MEL, the British defence arm of the multinational

Philips group, reports PTI quoting a report from Defence News. Washington-based Defence News says the radars would be used by the Coast Guard. Twelve of the radars would be installed in the Dornier aircraft that are being built under licence by Hindustan Aeronautics Limited. The remaining two will be used for operator training and backup support. The radars are scheduled for delivery during the next 18 months, the report adds. Defence News also says that the three previously supplied Marec II radars, now operating in Coast Guard aircraft would also be upgraded to Super Marec standards. All radars will have maritime surveillance duties, including protection of the extended economic zone and offshore oil rigs. The radars can be converted into super searcher radars for employment in anti-submarine warfare and in anti-surface vessel roles, the report concludes. [Text] [New Delhi PATRIOT in English 19 Jan 87 p 5] /13104

AISSF LEADER EXPELLED--The All-India Sikh Student Federation today expelled from the organisation Harminder Singh Sandhu, presently lodged in Jodhpur jail. A decision to this effect was taken at a meeting of senior leaders of the Federation and the Dandami Taksal in Amritsar. Others who have been expelled from the primary membership for their anti-Federaton activities are Amarjit Singh Chawla, Harinder Singh Kahlon, Rajinder Singh Mehta and Virsa Singh Valtoha. [Text] [Calcutta THE TELEGRAPH in English 17 Jan 87 p 5] /13104

RESIGNATION FROM JANATA--Ms Abha Maiti, a member of the Janata Party's national executive, today resigned from the primary membership of the party in protest against the leadership's failure to restrain "communal elements" like Syed Shahabuddin, MP. In a statement issued here today, Ms Maiti, a former Union minister, said, "Shahabuddin's call to boycott the Republic Day celebrations over the Babri Masjid issue is not only in bad taste and anti-national but also exposes his reactionary Muslim fundamentalist attitude." Mr Shahabuddin's call, she said, would only generate hatred and illfeeling among the people and alienate Muslims from the mainstream of Indian life. Ms Maiti regretted that the Janata Party leaders had "surrendered to Shahabuddin, eroding all the principles which the party stood for." Mr Animesh Maity, a member of the party's national council and secretary of the West Bengal Janata unit, also resigned from the party today. [Text] [Calcutta THE TELEGRAPH in English 12 Jan 87 p 1] /13104

OPEC AID--The OPEC fund for international development is to extend \$20 million in loans to four developing countries, including India, reports Opecna. Under the fund's seventh lending programme, India will receive seven million dollars for the rehabilitation of fertilizer project. The scheme, designed to reduce India's dependence in imported fertilizer, will help increase utilization rates at three plants run by the Indian Farmer's Fertilizer Cooperatives. This brings total fund assistance to India to \$165.3 million. Six of the loans, totalling \$136.5 million, were for projects in the energy and transportation sectors, while the seventh (\$21.8 million) was given for balance of payments supports. [Text] [Calcutta THE STATESMAN in English 10 Jan 87 p 5] /13104

HINDU FRONT--A Hindu front, formed by the Hindu Mahasabha, Bharatiya Jana Sangh, Hindu Desham and North Indian Shiv Sena has demanded "an independent foreign policy aiming at close ties with Hindu and Buddhist countries." At a Press conference here today, Mr Bairaj Madhok said the front would like Israel to be recognized by India. The front also wanted self-reliance in defence needs, including nuclear weapons. It favoured a compulsory uniform civil code for all citizens, abrogation of Article 30 and 37 and such other provisions of the Constitution which discriminated in favour of certain minority groups and areas. [Text] [Calcutta THE STATESMAN in English 7 Jan 87 p 1] /13104

CSO: 4600/1428

INCREASE IN REFUGEE POPULATION REPORTED

Tehran KAYHAN INTERNATIONAL in English 16 Dec 86 p 1

[Text]

TEHRAN, Dec. 15 (IRNA) — More than two million Afghan and 500,000 Iraqi refugees are living in Iran. Most have been settled in refugee camps, with a substantial number of them enjoying the same rights and privileges as Iranians.

At a press conference here Monday, also attended by foreign reporters, Interior Minister Hojjatolislam Ali-Akbar Mohtashami said the number of Afghan refugees had increased since Najibullah took office in Kabul.

The minister linked this increase to the escalation in bombings of Afghan villages by the ruling regime. Many Afghan spies also entered Iran for ulterior reasons and to influence the Iranian

people's views towards that country, he added.

A group of Afghan spies have so far been arrested and Iranian law enforcement officials, in cooperation with the Mujahideen and other Afghan Muslims are tracking down other agents, Mohtashami said.

The Islamic Republic of Iran considers as a duty to help and support the combatants of Afghanistan, Iraq, Lebanon and other Islamic liberation movements in their struggle for freedom and the independence, the minister said.

On international aid to Afghan refugees, the minister said that the United Nations High Commissioner for Refugees (UNHCR) bears only about 1.5% of the

total expenditure for Afghan refugees' settlement in Iran.

Elsewhere, the minister said that after the 1975 Algiers Agreement, some 120,000 Iraqis sought asylum in Iran and the number of refugees had steadily increased due to the suppressive policies of the Ba'athist regime of Baghdad.

The Iraqi refugees have been accommodated in 18 border and quarantine camps throughout the country, and they enjoy the same rights as Iranians, Mohtashami said.

On Iran's internal situation, the minister said the country is politically stable and law and order prevails. "The Islamic Republic, relying on the people's power, has been able to destroy all counterrevolutionary group-lets and rebels", Mohtashami concluded.

/13046


CSO: 4600/136

GOVERNMENT TAKING 'DRASTIC' STEPS TO IMPROVE HEALTH CARE

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English No 65, Jan 87 p 70

[Article by Erik Fosse and Trond Linstad]

[Text]

 The Iranian authorities have introduced fairly drastic measures to improve the primary health services outside the cities. Better primary health care and preventive medicine in these areas are seen as being an important part of the authorities' efforts to stem migration to the towns as well as to assist in stepping up agricultural production.

When it comes to resources and general economic conditions, Iran is wealthy in comparison with most other third world countries. But in many respects, the country is also a developing nation with the traditional problems that are related to development, as for example the heavy pressure exerted on the cities (25 per cent of the country's 44 million inhabitants live in Tehran), widespread malnutrition, high infant mortality and a single export economy.

Health and social services under the Shah were reserved for the few. No general system of sickness benefit has yet been introduced even if everybody in work pays some sort of national insurance. A proposal for legislation which will ensure wider sickness and disability benefits is in preparation. Most hospitals are now state-owned and in theory everybody is entitled to hospital treatment even if there is a long way to go before national coverage is achieved.

Primary care

The great challenge however, does not lie in hospital coverage but in the primary health service. As in other developing countries, infectious disease and malnutrition are really the big health

problems which are claiming the most lives and keeping average life expectancy down.

Half of the doctors in Iran are living in Tehran while the remainder live in the main provincial centres. This is because until the revolution, the health system was private and because the rural economy was so poor. After the revolution, the lack of doctors was made more acute as many doctors belonging to the privileged classes fled the country. Doctors who studied abroad at the expense of the State, failed to return. Today, the ratio of doctors to population is one doctor to 3,500 inhabitants.

The health problems in the rural areas were also recognised during the Shah's rule and in 1976 a primary health centre test project was started in West Azerbaidjan. After the revolution, it was decided to extend the primary health service as part of a campaign to curtail the process of urbanisation. The health authorities' main task is now to develop the health and social service programme in the rural areas.

Primary health services are organised on three levels. The first is the local health centre. Each health centre must serve 500-2,000 people. There are no doctors in the health centres but male and female nursing staff with basic education and two years' practical experience. In the centres, emphasis is given to teaching hygiene to expectant mothers, general hygiene and mother/baby care. They provide first aid and vaccination as well as initiating preventative measures against malaria for example. There are today some 3,950

centres like this which meet about half the actual need.

Secondary level care

The second level in the health service is represented by medical centres. There are currently 1,100 medical centres in the cities and some 2,000 in rural districts. Out in the country medical centres are located in the larger villages and in the main regional towns. Until now it has been difficult to staff these with Iranian doctors and they have been dependent on doctors from India, Pakistan and Bangladesh. The authorities have started a campaign to get Iranian doctors out into the rural districts and, in January 1986, a law was passed which requires all newly qualified doctors to work in State projects in poor rural areas for one and a half times the length of their studies before they are entitled to open their own practices or to specialise. Since the study qualification time in Iran is six years, this means a nine year term in State service. Student intake from the poor rural areas will also be given priority so that 60 per cent of new students will originate from such districts. (According to the Act, war veterans, relatives of men killed in action and former prisoners of war will also be given priority so that 25 per cent of student places are earmarked for these persons). The medical facilities in Iran currently take in some 4,000 new students annually and there is a target of more than 50,000 doctors qualifying in the next ten years. The new Act also allows for doctors to do their two years national service in the rural areas. The authorities are also working on a scheme to get Iranian doctors practising abroad to come home.

The third tier in the health service is the hospital. After the revolution, the authorities tried to maintain hospital standards without extending them. Foreign doctors are also working in the hospitals.

It is quite clear that the war with Iraq is tying up a considerable amount of the health resources. All doctors must serve one month per year in the front line or in

hospitals that are tending the wounded. Even so, the primary health service has been extended during the course of the war. The number of primary health centres has risen from 3,259 in 1982 to 3,950 in 1985 while 500 new medical centres have been set up in the same period. 300 of these are in the rural villages and towns.

Infant mortality

Infant mortality (the number of children dying before their first birthday), is reckoned to be an important social development indicator. In 1979 the infant mortality rate was 13 per cent in the villages – by May 1985 it was 7.2 per cent. The reduction in the rural mortality rate can be attributed to several factors. The most important of these is certainly the general improvement in living conditions. One government department, Jihad-e-Sazandegi, has the task of reversing the flow of population into the cities by improving the standard of rural life. The department is taking roads and electricity to the villages. It is drilling for water and constructing dams. Today, 55 per cent of the rural population has access to proper drinking water. In 1985 US\$ 150 million was earmarked for increasing the availability of proper drinking water.

When one looks at the results which have been attained in the health sector, it is important to take into account the special conditions under which those results have been achieved. Since 1979, Iran has taken in between 1.5 and 2.0 million Afghan refugees. This must certainly be one of the reasons why there has been an increase in TB in certain provinces. Half of the malaria cases registered in 1985 were among the Afghan refugees. The war against Iraq has also brought a considerable volume of refugees in its wake. This has led to heavy population concentrations, difficult sanitary conditions etc. The war with Iraq continues to place a general burden on the health services and the hospitals.

COMMENTARY SUPPORTS DENIAL OF FACILITIES TO U.S. PLANES, SHIPS

BK080909 Karachi DAWN in English 17 Jan 87 p 7

[Editorial: "Sabhabzada Yaqub's Assurance"]

[Text] The Foreign Minister's assurance made twice in three days that Pakistan has not granted any base facility and the United States will be widely welcomed. If a strong nationalist sentiment exists in this country in favor of genuine non-alignment and against a military relationship with the Americans, it is not difficult to understand it. Pakistan's record in the fifties as the most loyal ally of Washington -- as a member of CENTO and SEATO -- did not prove very beneficial for it. The infamous U-2 incident in 1960, which for the first time brought into the open the secret existence of an American base at Budaber, also drove home the grave implications of a policy of taking sides in the superpower cold war and how it could threaten the country's national interest, geopolitical security and international standing. Not surprisingly, ever since then there has been a public outcry whenever there has been even a hint of Pakistan having extended its cooperation in any form of military activity to a major power in the Western camp. It is now obvious that opinion is strong in the country that our security imperatives demand that we avoid military entanglement with a major power involved in active confrontation with another. In fact, many strongly believe that Pakistan should adopt a policy of equidistance between Moscow and Washington. It is widely felt that by identifying itself with any one side in the big power game Pakistan would invite the hostility of the other, which can be most damaging for a small country located in a highly sensitive strategic region.

In this context, the Foreign Minister's statement is not only reassuring but also indicates that the Government also recognizes the compulsion of a truly non-aligned position. What is, however, important is that whatever steps it takes should not give the impression to the outside world, especially those who have some reservations about Pakistan's non-alignment, that it is wholly committed to the cause of one superpower. In other words, Islamabad will have to go out of its way to establish its non-aligned credentials which calls for more than a technically correct policy. Even if the measures it adopts do not impinge on its non-alignment as it is understood to be by NAM [Nonaligned Movement], Pakistan must also be seen as being strictly uncommitted. This, the Foreign Office has on occasions acknowledged that it has given permission for the use of its

bases and ports for transit facilities and to ships and aircraft of friendly countries for refuelling and for making routine port calls. In fact, now it is common knowledge, confirmed by government sources, that American nuclear-powered ships have visited Karachi. In different circumstances, no extraordinary significance would have been attached to such facilities being made available. But when viewed in the wider perspective of American geopolitical strategy in the Middle East and the Gulf, such concessions are liable to be interpreted as militating against non-alignment. According to American official sources, the newly-formed U.S. Central Command (Centcom) which has been operational since 1983 has its area of responsibility extending over 19 countries, including Pakistan. This places Pakistan in a rather difficult position, especially if it is seen in any way as furthering America's strategic interests in the region. The key elements of Centcom's strategy do not simply centre round its capacity to mobilize 450,000 personnel for military operations in the region and to develop land-based pre-positioning sites for military equipment, but also to intensify surveillance of the Indian Ocean and the Gulf. Some Government spokesmen have reiterated that Pakistan cannot be responsible for any aircraft using the oceans for spying purposes, since the high seas are international territory. Technically speaking, one cannot dispute this contention. But it would be a wise policy not to allow planes designed to monitor the Soviet naval fleet in the Indian Ocean to land at Pakistani bases for refuelling purposes. True, they could continue with their surveillance activity even without utilizing any facility in this country. But by carefully refraining from any involvement, however innocuous it might be, Islamabad would be acting prudently and protecting its non-aligned bonafides. Since Pakistan has not entered into any written agreements with the U.S. as we have been repeatedly assured by the authorities, it should not be difficult for the Government to withdraw the port-call and landing facilities it has so far allowed to American ships and aircraft. If the U.S. is as mindful of our commitment to non-alignment as we expect it to be, such a step should not affect Pakistan-American friendship in any way.

/12624

CSO: 4600/137

AFGHAN TALKS VIEWED

BK080853 Karachi DAWN in English 29 Jan 87 p 5

[Editorial: "Haze over Geneva-VIII"]

[Text] More than a week has passed since the Pakistan Foreign Office let it be known that the eighth round of Geneva talks on Afghanistan scheduled for February 11 has been put off. Although February 25 was then tentatively mentioned as the new date for the proximity talks, there has been speculation that the negotiations may not take place at all next month. This is, however, no reason for scepticism as to the fate of the Geneva-VIII, but considering the crucial nature of the next round, any lingering uncertainty about when it is going to be held, would be undesirable. The UN special envoy on Afghanistan, Mr Diego Cordovez's recent contention that there would be a 'short postponement' to allow for further discussions among the concerned parties rules out the possibility of the talks being indefinitely delayed. However, at this stage it should be possible to at least broadly indicate the date or time period for the next round in order to remove the air of uncertainty that still persists. This should not be difficult in view of the fact that the reason officially stated by Pakistan for the postponement was to give the Foreign Minister time to visit Moscow to hold further discussions. Since Sahabzada Yakub's itinerary must have been finalized by now, Islamabad should be in a position to firm up the date for the next round of negotiations at Geneva and make it known. Moscow has of late sent out a number of signals which are being interpreted by observers as being indicative of a serious intention to negotiate the troop withdrawal from Afghanistan. Two most significant developments have been a softening in the Soviet stance on the timeframe for the pullout and an unpublicized agreement on the modalities of monitoring the withdrawal. When the Soviet Foreign Minister Eduard Shevardnadze visited Kabul in December he offered to reduce the period in which the troops would leave Afghanistan and the timetable would be worked out at Geneva through discussions between Kabul and Islamabad. Secondly, the Kremlin is now said to be inclined to accept a team of UN observers in Afghanistan to monitor the withdrawal. These, coupled with Dr Najibullah's conciliatory overtures, are positive signs and Pakistan should be interested in putting these to the test at Geneva.

One reason why the postponement of Geneva-VIII is being viewed with some concern is that the announcement came soon after the Afghan Mujahideen had

hardened their stance by rejecting Kabul's offer of a unilateral ceasefire and declared their intention to set up an interim government-in-exile. This was preceded by the Pakistan Foreign Minister having a round of diplomacy with China, Saudi Arabia and Iran.

Then there was the American under Secretary of State for Political Affairs, Mr Michael Armacost, visiting Islamabad almost at the same time as the Soviet First Deputy Foreign Minister, Too, was there. These hectic consultations with friends and allies would have normally been welcomed for they would ensure for Pakistan the support of its friends for any move it plans to make vis-a-vis Afghanistan. But there are times and occasions when Pakistan should be the best judge of its national interests. The situation created in Southwest Asia by the Soviet military intervention, the guerrillas' armed resistance and the influx of Afghan refugees into this country affect Pakistan in a way they do not some others. They may be parties to the conflict and are also opposed to the Soviet presence in Afghanistan but they certainly are not as directly affected as Pakistan, nor as seriously. The crisis in the region has had an immediate geostrategic, political and socio-economic impact on Pakistan. Any measure it adopts will have a strong bearing on its national security and geopolitical interests, especially if it results in prolonging the conflict and delaying the return of the refugees. Hence Pakistan's approach will have to be more circumspect and realistic as it works towards a Soviet pullout from Afghanistan and seeks the establishment of a non-aligned, independent and neutral government in Kabul. Others can afford to be less accommodating and more uncompromising in the matter since their immediate interests are not involved in the sense Pakistan's are or they may be inclined to view the Afghan problem in a global context. Even if they demand a quid pro quo for a peace settlement in the region and thus preempt an immediate solution, it would not affect their long-term interests far too much. But for Pakistan the matter has acquired urgency and calls for immediate moves to negotiate an end to the conflict. It should not be difficult for Pakistan to convince its friends of the correctness of its action in seeking an early and reasonable solution of the Afghan problem so long as it acts primarily according to the dictates of its national interests and broadly in conformity with the principle involved in the matter. Some crucial decisions will thus have to be taken by this country as by the other side at the next round of the proximity talks at Geneva if a political settlement of the conflict has to materialize before long.

/12624

CSO: 4600/137

GOVERNMENT, CONFERENCE ON PROBLEM FINDING RIDICULED

Karachi AMN in Urdu 28 Dec 86 p 2

[Column "From Jumma Khan's Pen"]

[Excerpts] Pakistan's president, army chief of staff and ex-chief martial law administrator summoned intellectuals, scholars, legal experts, journalists and representatives from other groups from different parts of the country to Islamabad and asked them to pinpoint the country's biggest problem and a solution for it. The participants of the gathering were divided into nine groups and each group, after mutual consultation, put forth a recommendation. Each thus completed the job that was assigned to it. Now Gen Zia will analyze these recommendations and, as he has done in the past, he will himself decide what the biggest problem is and how it ought to be solved because he is not obligated to accept anyone's proposal. Ever since he came into office, he has always maintained the policy of listening to everyone but making up his own mind. A constitution commission was set up some time ago under the leadership of Zafar Ahmad Ansari, but everyone is aware of the fate of the report that this commission put forth with regard to the constitution and system of government. In the last 9 and 1/2 years, a lot of committees, etc., have also been formed. The Islamic Ideology Council has also made many recommendations, but from the very first day Gen Zia has done what pleased him. He did not accept anyone's recommendations in total; maybe he is fond of confusion. He analyzes the recommendations from various committees, selects a recommendation from here and two from there and himself comes up with a new format, thereby leading to a real hotch-potch of affairs. Despite being a totalitarian ruler for 8 and 1/2 years through martial law and the chief of army staff for one year, Gen Zia has failed to figure out the country's biggest problem and its solution. He maintains that the armed forces are his party and electoral constituency. Didn't the army tell him during the last 9 and 1/2 years what the country's biggest problem was and how it ought to be solved? Didn't even the parliament and assemblies formed through non-party elections give him direction? Couldn't even his maid-servant Muslim League point out the way to him? If none of them knows the biggest problem and its solution, then what good are they?

The present government is a circus of clowns. At the head of it is the president of Pakistan, who has nominated the prime minister but retained the chief of army staff position to himself. The nominated prime minister has

distributed various ministries among his cronies but kept the defense portfolio himself. In this circus of clowns Gen Zia, as COAS, is subordinate to the prime minister, but as president he is the prime minister's boss. In one role he stands in front of the prime minister with folded hands; in the other role the prime minister has to bow before him. Both are simultaneously each other's superiors and subordinates. Can anyone imagine an administrative setup like this to be operating anywhere else in the world? This circus of clowns has paid no attention to the voice of the people. Who then is going to take the trouble of reading the recommendations of 200 intellectuals?

12748/12379

CSO: 4656/45

PAPER ANALYZES STATE OF NATIONAL ECONOMY

BK061548 Islamabad THE MUSLIM in English 1 Feb 87 p 4

[Editorial: "State of Economy: The Hard Choices"]

[Text] Official documents paint a rosy picture of the economy and well they might. For, after all, the growth rate of GDP is high, as is the growth rate of agriculture and industry. But these indicators conceal more than they reveal. As soon as one goes behind the veil of growth a quite different picture emerges. A high growth rate of GDP does not tell us whether the factors that sustain growth are being weakened or strengthened over time, nor does it tell us whether the emerging structure of the economy has the capability of providing the minimum conditions of civilized life for the majority of people over the foreseeable future. To diagnose the nature and sustainability of aggregate growth, we must examine the performance of savings and investment, which are the engine of growth; the performance of exports which affect the long-term ability of the economy to finance foreign exchange requirements; the availability of water, sewerage and housing for the population; and finally the structure of the economy in terms of its employment generation capability and the inter-personal and inter-regional distribution of national income. The performance on each of these counts gives cause for concern, according to a recent study by an independent economist.

Let us consider the strategic factors that sustain growth. Investment as a percentage of GNP declined from 17.6 percent in 1976-66 to 13.9 percent in 1983-84; the savings picture was equally bleak, with gross domestic savings as a percentage of GDP declining from 8.5 percent in 1976-77 to 5.2 percent in 1983-84; finally the growth of export earnings has been much slower than the growth of import expenditures. Over the decade 1975-86 while imports have grown at a compound rate of 6.6 percent (at constant prices) exports have increased at the rate of only 4.5 percent over the same period. The result has been a marked deterioration in the balance of trade.

When we examine the basket of goods underlying aggregate economic growth, we find that both the level and range of consumption goods of the elite are rising rapidly, while the poor continue to be deprived of basic necessities. According to conservative estimates made by the ILO, at least 45 percent of the households in Pakistan are unable to afford 2300 calories per day per person, which is the minimum calorific requirement for

a healthy life. The Federal Finance Ministry estimates that 62 percent of the population does not have piped drinking water; 84 percent of the population does not have sewerage facilities; finally, the housing conditions are so inadequate that 81 percent of the housing units have on an average 1.5 rooms inhabited by 7 persons.

While a large proportion of the population experiences economic deprivation, the nature of economic growth since 1977 has been such that it has involved rapid automation in industry and labor displacing mechanization in agriculture. The result is that the employment generation capability of the economy has been declining rapidly. The number of jobs generated per unit of investment in industry has been declining at the rate of 11 percent per annum since 1977. Similarly in agriculture as labor-displacing mechanization proceeds faster than output growth, the labor absorptive capacity is expected to decline by 6.9 million households by the end of the 20th century.

Let us now consider the issue of foreign aid dependence. Our level of debt at approximately 13 billion U.S. dollars, and a debt servicing burden at 27.2 percent of commodity exports, may be tolerable by Latin American standards. But the crucial issue is that the conditionality clauses associated with World Bank/IMF loans, as indeed U.S. Government grant aid, are such that they effectively deprive us of the right of independent economic decision making. Our policy makers are reduced to merely echoing the wisdom emanating from these organizations.

The question of foreign loans, therefore, is not simply whether they are "manageable" or not; their impact on our national sovereignty is equally important. Quite apart from this if we project into the future, it appears that at the present domestic savings rate, we may have to choose between an intolerably high debt servicing burden or stagnation in per capita income. Some simulation studies indicate that if we sustain the present GDP growth rate of 6.1 percent per annum during the next decade, our debt servicing ratio will jump from the present 27 percent to 62 percent by 1995. On the other hand, if the present debt servicing ratio is to be maintained, then GDP growth rate over the next decade would have to fall to about 3.6 percent.

What then are the economic imperatives for a sovereign and equitable society? A drastic increase in domestic savings by means of a tax on agricultural incomes and large trade incomes, and effective recovery from industry which tends to evade the tax burden. What is needed is a shift in the direction of the economy from an export-oriented agriculture to the establishment of an indigenous industrial base and technological capability. The achievement of regionally equitable growth, so essential to national survival would require establishment of growth nodes in the backward areas through supplementary infrastructure and new tax incentives for attracting industry there. Finally, the establishment of minimum conditions of health, housing and employment through a shift of budget priorities in favor of building social and economic infrastructure. Currently, 78.1 percent of the total government expenditure goes into administration and defence, while only 29 percent goes into development. Surely there must be a more cost-effective defence of the country, as surely as we have the capacity for achieving a more equitable and self-reliant development.

SOHRAB GOTH CLEANUP ALLEGEDLY MOTIVATED BY GREED

Karachi AMN in Urdu 4 Jan 87 p 2

[Editorial: "The Use of Sohrab Goth Land"]

[Text] Even though the rioting which broke out in the many areas of the city alongside the so-called Operation Clean-up of Sohrab Goth has calmed down, the ordeal which brought about these killings has generated many questions and apprehensions in the minds of people. Was "Operation Clean-up" undertaken to clean up just Sohrab Goth or to wipe out the nearby localities? The events of bloodshed which occurred after this raid generated various comments from different circles. In these comments there is also a pointing of fingers at each other. Aside from stressing the need for unity on the basis of national security and national unity, various persons are being blamed for anti-state activities and conspiracy. But the real reason, which is being ignored, has been pointed out by Prof Ghafoor Ahmed, who has verified the public belief that the raid on Sohrab Goth was intended not just to wipe out narcotics and weapons, but to obtain substantial funds from certain construction companies and develop this place into real estate. It is a large and expensive piece of land, which has drawn keen interest for a long time. It could not be clarified why military action was necessary to remove illegal encroachments. According to Prof Ghafoor Ahmed, since the army played the basic role in this operation, responsibility for it rests with the federal government and the chief of army staff. This fact seems even more meaningful when you realise that the army was not called in to stop the riots which took place in Karachi after the middle of 1986. In the raid on Sohrab Goth, the army and police in large numbers were used. The consequence of this was that in Aligarh Colony, which is in the jurisdiction of Orangi town, killing and looting continued for several hours and not a single person from any law enforcement agency could be spotted anywhere. It can be concluded from this that the weapons and heroin mafia, which was strong to begin with, has grown even stronger. Since there was no real planning in carrying out this operation, the houses of the poor Pakhtuns were destroyed and in the cold weather they were literally thrown into the open in the Surjani Town area. Up until now no arrangements have been made for their permanent settlement and no basic facilities provided to them. Prior to the raid on Sohrab Goth, the widespread centers of narcotics and weapons had not been destroyed and as a result, long before the raid on Sohrab Goth, at the information of the "people in high places" large quantities of heroin and weapons were moved from there to secret places on tips from the "big people."

The real purpose was thus defeated and under the pretext of cleanup, steps to remove the encroachments continued for 2 weeks. To divert the attention of the general public from this event, mafia-provoked bloodshed and destruction were allowed to take place in Organi. Besides, the blame for the racial riots that occurred at various places and in other cities of Sind rests with the people who planned and carried out operation clean-up. They, the short-sighted individuals who undertook this operation, are the real culprits as far as maintaining peace and order and providing relief and compensation to the victims are concerned, and their role in this episode cannot be ignored. Thorough investigations ought to be made into who among the persons involved got how much of the kickbacks for handing over the land of Sohrab Goth to the construction companies after the removal of the encroachments. This report should be disclosed to the public and all of the culprits should be punished accordingly. Otherwise, on the pretext of abolishing centers for narcotics and weapons and of removing encroachments, and in order to obtain land for personal gain the chain of violent events can be made to repeat itself somewhere else. We ought not to forget also that after a lot of human bloodshed and economic loss, to the tune of billions of rupees, Sohrab Goth land has become invaluable. This land should be brought into collective use for the people of Karachi.

12748/12379
CSO: 4656/45

- END -

END OF

FICHE

DATE FILMED

15 APRIL 1987